

# DRAFT PROPOSED RULES

WYOMING DEPARTMENT OF ENVIRONMENTAL QUALITY

SOLID AND HAZARDOUS WASTE DIVISION

HAZARDOUS WASTE MANAGEMENT

CHAPTER 5  
FINANCIAL ASSURANCE

2007

DEPARTMENT OF ENVIRONMENTAL QUALITY  
SOLID AND HAZARDOUS WASTE DIVISION

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**Bold = State added language**    ^ = Federal Language deleted

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264 & 265/Subpart H Section 1. CLOSURE/POST-CLOSURE FINANCIAL ASSURANCE  
REQUIREMENTS.

264/5.140 (a) APPLICABILITY:

264/5.140(a) (i) This section governs all owners and operators of permitted and interim status hazardous waste management facilities, except as provided otherwise in this section or in Section 1(a) of Chapters 10 and 11.

264/5.140(b) (ii) Post-closure requirements of sections 1(c) and (d) of this Chapter apply only to owners and operators of:

264/5.140(b)(1) (A) Disposal facilities;

264.140(b)(3) & 265.140(b)(2) (B) Tank systems that are required under Chapter 10, Section 9(h) of these rules and regulations to meet the requirements for landfills.

264.140(b)(4) & 265.140(b)(3) (C) Containment buildings that are required under Chapter 10, Section 28(c) for permitted facilities and Chapter 11, Section 31(c) for interim status facilities of these rules and regulations, to meet the requirements for landfills.

264.140(b)(2) (D) Piles, and surface impoundments from which the owner or operator intends to remove the wastes at closure to the extent that these sections are made applicable to such facilities in Chapter 10, Sections 10(i) and 11(i).

264.140(b)(2) (iii) Post-closure financial assurance requirements are not applicable to owners and operators of:

(A) Interim status piles, and surface impoundments from which the owner or operator intends to remove the wastes at closure, to the extent that these sections are made applicable to such facilities in Chapter 11, Sections 12(j) and 13(i) of these rules and regulations.

266.102(a)(2)(viii) (B) Boilers and industrial furnaces that burn hazardous wastes.

264/5.140(c) (iv) States and the Federal government are exempt from the requirements of this Chapter.

264.140(d) (v) The Director may replace all or part of the requirements of this section applying to a regulated unit with alternative requirements for financial assurance set out in the permit or in an enforceable document (as defined in Chapter 1, Section 1(f)(i) of these rules and regulations), where the Director:

264.140(d)(1) (A) Prescribes alternative requirements for the regulated unit under Chapter 10, Section 6(a)(vi) and/or Chapter 10, Section 7(a)(iii) of these rules and regulations; and

264.140(d)(2) (B) Determines that it is not necessary to apply the requirements of this section because the alternative financial assurance requirements will protect human health and the environment.

264/5.141 (b) DEFINITIONS: Definitions of the following terms as used in this Chapter are found in Chapter 1, Section 1(f)(i) of these rules and regulations: closure plan, current closure cost estimate, current post-closure cost estimate, parent corporation, and post-closure plan. The following terms are used in the specifications for the financial tests for closure, post-closure care, and liability coverage and are intended to assist in the understanding of these regulations and are not intended to limit the meanings of terms in a way that conflicts with generally accepted accounting practices: assets, current assets, current liabilities, current plugging and abandonment cost estimate, independently audited, liabilities, net working capital, net worth, and tangible net worth. In the liability insurance requirements the terms "bodily injury" and "property damage" shall have the meanings given these terms by applicable State law. However, these terms do not include those liabilities which, consistent with standard industry practices, are excluded from coverage in liability policies for bodily injury and property damage. The Wyoming Department of Environmental Quality intends the meanings of other terms used in the liability insurance requirements to be consistent with their common meanings within the insurance industry. Definitions of the following terms are intended to assist in the understanding of these regulations and are not intended to limit their meanings in a way that conflicts with general insurance industry usage: accidental occurrence, legal defense costs, nonsudden accidental occurrence, sudden accidental occurrence, and substantial business relationship.

264/5.142 & 264/5.144

(c) COST ESTIMATE FOR CLOSURE AND POST-CLOSURE CARE:

264/5.142(a) & 264/5.144(a) (i) The owner or operator must have a detailed written estimate, in current dollars, of the cost of closing the facility in accordance with the requirements in Chapter 10, Section 7(b) through 7(f) for permitted facilities and Chapter 11, Section 9(b) through (f) for interim status facilities and applicable closure requirements in Chapter 10, Sections 8(i), 9(h), 10(i), 11(i), 12(k), 13(k), 14(l), 23(b) through (d) and 28(c) for permitted facilities; and Chapter 11, Sections 11(h), 12(j), 13(i), 14(k), 15(k), 16(l), 17(k), 18(e) and 31(c) of these rules and regulations for interim status facilities. The owner or operator of a disposal surface impoundment, land treatment, or landfill unit, or of a surface impoundment or waste pile required under Chapter 10, Sections 10(i) and 11(i) for permitted facilities, to prepare a contingent closure and post-closure plan, must have a detailed written estimate, in current dollars, of the annual cost of post-closure monitoring and maintenance of the facility in accordance with the applicable post-closure regulations in Chapter 10, Sections 7(h) through (k), 10(i), 11(i), 11(k), 13(k) and 23(d) for permitted facilities. The owner or operator of an interim status hazardous waste disposal unit must have a detailed written estimate, in current dollars, of the annual cost of post-closure monitoring and

maintenance of the facility in accordance with the applicable post-closure regulations in Chapter 11, Sections 9(h) through (k), 12(j), 13(i), 14(k) and 15(k) of these rules and regulations.

- 264/5.142(a)(1) (A) For closure, the estimate must equal the cost of final closure at the point in the facility's active life when the extent and manner of its operation would make closure the most expensive, as indicated by its closure plan (see Chapter 10, Section 7(c)(ii) for permitted facilities and Chapter 11, Section 9(c)(ii) for interim status facilities, of these rules and regulations); and
- 264/5.142(a)(2) & 264/5.144(a)(1) (B) The closure and post-closure cost estimates must be based on the costs to the owner or operator of hiring a third party to close the facility, and to conduct post-closure care activities, if applicable. A third party is a party who is neither a parent nor a subsidiary of the owner or operator. (See definition of parent corporation in Chapter 1, Section 1(f)(i) of these rules and regulations). For closure cost purposes, the owner or operator may use costs for on-site disposal if he or she can demonstrate that on-site disposal capacity will exist at all times over the life of the facility.
- 264/5.142(a)(3) (C) The closure cost estimate may not incorporate any salvage value that may be realized with the sale of hazardous wastes, or non-hazardous wastes if applicable under Chapter 10, Section 7(iv) for permitted facilities and Chapter 11, Section 9(d)(iv) of these rules and regulations for interim status facilities, facility structures or equipment, land, or other assets associated with the facility at the time of partial or final closure.
- 264/5.142(a)(4) (D) For closure cost estimates, the owner or operator may not incorporate a zero cost for hazardous wastes, or non-hazardous wastes if applicable under Chapter 11, Section 9(d)(iv) of these rules and regulations that might have economic value.
- 264/5.144(a)(2) (E) The post-closure cost estimate is calculated by multiplying the annual post-closure cost estimate by the number of years of post-closure care required under Chapter 10, Section 7(h) for permitted facilities, and Chapter 11, Section 9(h) of these rules and regulations for interim status facilities.
- 264/5.142(b) & 264/5.144(b) (ii) During the active life of the facility, the owner or operator must adjust the closure cost and post-closure cost estimates if applicable, for inflation within 60 days prior to the anniversary date of the establishment of the financial instrument(s) used to comply with Section 1(d) of this Chapter. For owners and operators using the financial test or corporate guarantee, the closure and post-closure cost estimates must be updated for inflation within 30 days after the close of the firm's fiscal year and before submission of updated information to the Director as specified in Section 1(d)(v)(E) of this Chapter. For permitted facilities, the adjustment may be made by recalculating the maximum costs of closure (the post-closure cost estimate for post-closure) in current dollars, (for interim status facilities, the adjustment may be made by recalculating the closure/post-closure cost estimate in current dollars), or by using an inflation factor derived from

the most recent Implicit Price Deflator for Gross National Product published by the U.S. Department of Commerce in its *Survey of Current Business*, as specified in Section 1(c)(ii)(A) and (B) of this Chapter. The inflation factor is the result of dividing the latest published annual Deflator by the Deflator for the previous year.

264/5.142(b)(1) & 264/5.144(b)(1) (A) The first adjustment is made by multiplying the closure and post-closure cost estimates by the inflation factor. The result is the adjusted closure and post-closure cost estimates.

264/5.142(b)(2) & 264/5.144(b)(2) (B) Subsequent adjustments are made by multiplying the latest adjusted closure and post-closure cost estimates by the latest inflation factor.

264/5.142(c) & 264/5.144(c) (iii) During the active life of the facility, the owner or operator must revise the closure and/or post-closure cost estimate no later than 30 days after the Director has approved the request to modify the closure and/or post-closure plan, if the change in the closure and/or post-closure plan increases the cost of closure and/or post-closure care. During the active life of interim status facilities, the owner or operator must revise the closure cost estimate no later than 30 days after a revision has been made to the closure plan which increases the cost of closure. If the owner or operator has an approved closure plan, the closure cost estimate must be revised no later than 30 days after the Director has approved the request to modify the closure plan, if the change in the closure plan increases the cost of closure. The revised closure and/or post-closure care cost estimates must be adjusted for inflation as specified in Section 1(c)(ii) of this Chapter.

264/5.142(d) & 264/5.144(d) (iv) The owner or operator must keep the following at the facility during the operating life of the facility: The latest closure and/or post-closure cost estimates prepared in accordance with Section 1(c)(i) and (iii) of this Chapter, and when these estimates have been adjusted in accordance with Section 1(c)(ii) of this Chapter, the latest adjusted closure and/or post-closure cost estimates.

264/5.143 & 264/5.145 (d) FINANCIAL ASSURANCE FOR CLOSURE AND POST-CLOSURE CARE: An owner or operator of each permitted facility must establish financial assurance for the closure of the facility. By July 13, 1981, an owner or operator of each interim status facility must establish financial assurance for closure of the facility. The owner or operator of a permitted hazardous waste management unit subject to the requirements of Section 1(c) of this Chapter must establish post-closure financial assurance for post-closure care in accordance with the approved post-closure plan for the facility 60 days prior to the initial receipt of hazardous waste or by July 13, 1981, whichever is later. An owner or operator of an interim status facility with a hazardous waste disposal unit must establish financial assurance for the post-closure care of the disposal unit(s) by July 13, 1981. The owner or operator must choose from the options as specified in Section 1(d)(i) through (vi) of this Chapter. Owners or operators of interim status facilities must choose from the options specified in Section 1(d)(i) through (v) of this Chapter.

264/5.143(a) & 264/5.145(a) (i) Closure/post-closure trust fund.

264/5.143(a)(1) & 264/5.145(a)(1) (A) An owner or operator may satisfy the requirements of Section 1(d) of this Chapter by establishing a closure/post-closure trust fund, which conforms to the requirements of this paragraph and submitting an originally signed duplicate of the trust agreement to the Director. An owner or operator of a permitted facility must submit the originally signed duplicate of the trust agreement to the Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal. For permitted and interim status facilities, the trustee must be an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency.

264/5.143(a)(2) & 264/5.145(a)(2) (B) The wording of the trust agreement must be identical to the wording specified in Section 1(l)(i) of this Chapter, and the trust agreement must be accompanied by a formal certification of acknowledgment (for example, see Section 1(l)(ii) of this Chapter. Schedule A of the trust agreement must be updated within 60 days after a change in the amount of the current closure and/or post-closure cost estimate covered by the agreement.

264/5.143(a)(3) & 264/5.145(a)(3) (C) For permitted facilities, payments into the trust fund must be made annually by the owner or operator over the term of the initial State hazardous waste facility permit or over the remaining operating life of the facility as estimated in the closure plan, whichever period is shorter. For interim status facilities, payments into the trust fund must be made annually by the owner or operator over the 20 years beginning on July 13, 1981, or over the remaining operating life of the facility as estimated in the closure plan, whichever period is shorter. This period is hereafter referred to as the "pay-in-period." The payments into the closure/post-closure trust fund must be made as follows:

264/5.143(a)(3)(i) & 264/5.145(a)(3)(i) 265.143(a)(3)(ii) & 265.145(a)(3)(ii)

(I) For a permitted facility, the first payment must be made before the initial receipt of hazardous waste for treatment, storage, or disposal. A receipt from the trustee for this payment must be submitted by the owner or operator to the Director before this initial receipt of hazardous waste. For interim status facilities, the first payment must be made by July 13, 1981, except as provided in Section 1(d)(i)(E) of this Chapter. The first payment must be at least equal to the current closure/post-closure cost estimate, except as provided in Section 1(d)(vii) of this Chapter, divided by the number of years in the pay-in period. Subsequent payments must be made no later than 30 days after each anniversary date of the first payment. The amount of each subsequent payment must be determined by this formula:

$$\text{Next payment} = \frac{\text{CE} - \text{CV}}{\text{Y}}$$

where CE is the current closure/post-closure cost estimate, CV is the current value of the trust fund, and Y is the number of years remaining in the pay-in period.

264.143(a)(3)(ii) & 264.145(a)(3)(ii) (II) If an owner or operator establishes a trust fund for permitted facilities as specified in Section 1(d)(i) of this Chapter, and the value of that trust fund is

less than the current closure/post-closure cost estimate when a permit is awarded for the facility, the amount of the current closure/post-closure cost estimate still to be paid into the trust fund must be paid in over the pay-in period as defined in Section 1(d)(i)(C) of this Chapter. Payments must continue to be made no later than 30 days after each anniversary date of the first payment made pursuant to Section 1(d)(i)(C)(I) of this Chapter. The amount of each payment must be determined by this formula:

$$\text{Next Payment} = \frac{\text{CE} - \text{CV}}{\text{Y}}$$

where CE is the current closure/post-closure cost estimate, CV is the current value of the trust fund, and Y is the number of years remaining in the pay-in period.

[NOTE: This paragraph does not apply to interim status facilities.]

264/5.143(a)(4) & 264/5.145(a)(4) (D) The owner or operator may accelerate payments into the trust fund or he or she may deposit the full amount of the current closure/post-closure cost estimate at the time the fund is established. However, the owner or operator must maintain the value of the fund at no less than the value that the fund would have if annual payments were made as specified in Section 1(d)(i)(C) of this Chapter.

264/5.143(a)(5) & 264/5.145(a)(5) (E) For permitted and interim status facilities, if the owner or operator establishes a closure/post-closure trust fund after having used one or more alternate mechanisms specified in Section 1(d) of this Chapter, the first payment must be in at least the amount that the fund would contain if the trust fund were established initially and annual payments made according to specifications of Section 1(d)(i)(C) of this Chapter, as applicable.

264/5.143(a)(6) & 264/5.145(a)(6) (F) After the pay-in period is completed, whenever the current closure cost estimate changes (for post-closure, whenever the current post-closure cost changes during the operating life of the facility), the owner or operator must compare the new estimate with the trustee's most recent annual valuation of the trust fund. If the value of the fund is less than the amount of the new estimate, the owner or operator, within 60 days after the change in the cost estimate, must either deposit an amount into the fund so that its value after this deposit at least equals the amount of the current closure/post-closure cost estimate, or obtain other financial assurance as specified in Section 1(d) of this Chapter to cover the difference.

264/5.143(a)(7) & 264/5.145(a)(7) (G) If the value of the trust fund is greater than the total amount of the current closure cost estimate, (for post-closure, if during the operating life of the facility the value of the trust fund is greater than the total amount of the current post-closure cost estimate), the owner or operator may submit a written request to the Director for release of the amount in excess of the current closure/post-closure cost estimate.

264/5.143(a)(8) & 264/5.145(a)(8) (H) If an owner or operator substitutes other financial assurance as specified in Section 1(d) of this Chapter for all or part of the trust fund, he or she may submit a written request to the Director for release of the amount in excess



of the current closure/post-closure cost estimate covered by the trust fund.

264/5.143(a)(9) & 264/5.145(a)(9) (I) Within 60 days after receiving a request from the owner or operator for release of funds as specified in Section 1(d)(i)(G) or (H) of this Chapter, the Director will instruct the trustee to release to the owner or operator such funds as the Director specifies in writing.

264/5.145(a)(10) (J) During the period of post-closure care, the Director may approve a release of funds if the owner or operator demonstrates to the Director that the value of the trust fund exceeds the remaining cost of post-closure care.

264/5.143(a)(10) & 264/5.145(a)(11) (K) After beginning partial closure or final closure and/or post-closure care, an owner or operator or any other person authorized to conduct partial, final closure and/or post-closure care, may request reimbursements for partial or final closure expenditures by submitting itemized bills to the Director. For partial closure, the owner or operator may request reimbursements only if sufficient funds are remaining in the trust fund to cover the maximum costs of closing the facility over its remaining operating life and to cover post-closure care activities if applicable. Within 60 days after receiving bills for partial, final, or post-closure activities, the Director will instruct the trustee to make reimbursements in those amounts as the Director specifies in writing, if the Director determines that the partial closure, final closure, or post-closure care expenditures are in accordance with the approved closure or post-closure plan, or otherwise justified. If the Director has reason to believe that the maximum cost of closure over the remaining life of the facility will be significantly greater than the value of the closure trust fund, the Director may withhold reimbursements of such amounts as he or she deems prudent until the Director determines, in accordance with Section 1(d)(ix) of this Chapter, that the owner or operator is no longer required to maintain financial assurance for final closure of the facility. If the Director does not instruct the trustee to make any reimbursements, the Director will provide the owner or operator with a detailed written statement of reasons.

264/5.143(a)(11) & 264/5.145(a)(12) (L) The Director will agree to termination of the trust when:

...(i) & ...(i) (I) An owner or operator substitutes alternate financial assurance as specified in Section 1(d) of this Chapter; or

...(ii) & ...(ii) (II) The Director releases the owner or operator from the requirements of this Section in accordance with Section 1(d)(ix) of this Chapter.

264/5.143(b) & 264/5.145(b) (ii) Surety bond guaranteeing payment into a closure or post-closure trust fund.

264/5.143(b)(1) & 264/5.145(b)(1) (A) An owner or operator may satisfy the requirements of Section 1(d) of this Chapter by obtaining a surety bond which conforms to the requirements of Section 1(d)(ii) of this Chapter and submitting the bond to the Director. An owner or operator of a permitted facility must submit the bond to the

Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal. The bond must be effective before this initial receipt of hazardous waste. For permitted and interim status facilities, the surety company issuing the bond must, at a minimum, be among those listed as acceptable sureties on Federal bonds in Circular 570 of the U.S. Department of the Treasury.

264/5.143(b)(2) & 264/5.145(b)(2) (B) The wording of the surety bond must be identical to the wording specified in Section 1(l)(iii) of this Chapter.

264/5.143(b)(3) & 264/5.145(b)(3) (C) The owner or operator who uses a surety bond to satisfy the requirements of Section 1(d) of this Chapter must also establish a standby trust fund. Under the terms of the bond, all payments made thereunder will be deposited by the surety directly into the standby trust fund in accordance with instructions from the Director. This standby trust fund must meet the requirements specified in Section 1(d)(i) of this Chapter, except that:

...(i) & ...(i) (I) An originally signed duplicate of the trust agreement must be submitted to the Director with the surety bond; and

...(ii) & ...(ii) (II) Until the standby trust fund is funded pursuant to the requirements of Section 1(d) of this Chapter, the following are not required by these regulations:

...(ii)(A) & ...(ii)(A) (1.) Payments into the trust fund as specified in Section 1(d)(i) of this Chapter;

...(ii)(B) & ...(ii)(B) (2.) Updating of Schedule A of the trust agreement (see Sections 1(l)(i) and (ii) of this Chapter) to show current closure and post-closure cost estimates;

...(ii)(C) & ...(ii)(C) (3.) Annual valuations as required by the trust agreement; and

...(ii)(D) & ...(ii)(D) (4.) Notices of nonpayment as required by the trust agreement.

264/5.143(b)(4) & 264/5.145(b)(4) (D) The bond must guarantee that the owner or operator will:

...(i) & ...(i) (I) Fund the standby trust fund in an amount equal to the penal sum of the bond before the beginning of final closure of the facility; or

...(ii) & ...(ii) (II) Fund the standby trust fund in an amount equal to the penal sum within 15 days after an administrative order to begin final closure issued by the Director becomes final, or within 15 days after an order to begin final closure is issued by a U.S. district court or other court of competent jurisdiction; or

...(iii) & ...(iii) (III) Provide alternate financial assurance as specified in Section 1(d) of this Chapter, and obtain the Director's written approval of the assurance, provided, within 90 days after receipt by both the owner or operator and the Director of

a notice of cancellation of the bond from the surety.

264/5.143(b)(5) & 264/5.145(b)(5) (E) Under the terms of the bond, the surety will become liable on the bond obligation when the owner or operator fails to perform as guaranteed by the bond.

264/5.143(b)(6) & 264/5.145(b)(6) (F) The penal sum of the bond must be in an amount at least equal to the current closure and/or post-closure cost estimate, except as provided in Section 1(d)(vii) of this Chapter.

264/5.143(b)(7) & 264/5.145(b)(7) (G) Whenever the current closure and/or post-closure cost estimate increases to an amount greater than the penal sum, the owner or operator, within 60 days after the increase, must either cause the penal sum to be increased to an amount at least equal to the current closure and/or post-closure cost estimate and submit evidence of such increase to the Director, or obtain other financial assurance as specified in Section 1(d) of this Chapter to cover the increase. Whenever the current closure and/or post-closure cost estimate decreases, the penal sum may be reduced to the amount of the current closure and/or post-closure cost estimate following written approval by the Director.

264/5.143(b)(8) & 264/5.145(b)(8) (H) Under the terms of the bond, the surety may cancel the bond by sending notice of cancellation by certified mail to the owner or operator and to the Director. Cancellation may not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by both the owner or operator and the Director, as evidenced by the return receipts.

264/5.143(b)(9) & 264/5.145(b)(9) (I) The owner or operator may cancel the bond if the Director has given prior written consent based on his or her receipt of evidence of alternate financial assurance as specified in Section 1(d) of this Chapter.

264.143/5(d) & 265.143/5(c) (iii) Closure and/or post-closure letter of credit.

264.143/5(d)(1) & 265.143/5(c)(1) (A) An owner or operator may satisfy the requirements of Section 1(d) of this Chapter by obtaining an irrevocable standby letter of credit which conforms to the requirements of this paragraph and submitting the letter to the Director. An owner or operator of a permitted facility must submit the letter of credit to the Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal. The letter of credit must be effective before this initial receipt of hazardous waste. For permitted and interim status facilities, the issuing institution must be an entity which has the authority to issue letters of credit and whose letter-of-credit operations are regulated and examined by a Federal or State agency.

264.143/5(d)(2) & 265.143/5(c)(2) (B) The wording of the letter of credit must be identical to the wording specified in Section 1(l)(v) of this Chapter.

264.143/5(d)(3) & 265.143/5(c)(3) (C) An owner or operator who uses a letter of credit to satisfy the requirements Section 1(d) of this Chapter must also establish a standby trust fund. Under the terms of the letter of credit, all amounts paid pursuant to a draft by the Director will

be deposited by the issuing institution directly into the standby trust fund in accordance with instructions from the Director. This standby trust fund must meet the requirements of the trust fund specified in Section 1(d)(i) of this Chapter, except that:

...(i) & ... (I) An originally signed duplicate of the trust agreement must be submitted to the Director with the letter of credit; and

...(ii) & ... (II) Unless the standby trust fund is funded pursuant to the requirements of Section 1(d) of this Chapter, the following are not required by these regulations:

...(ii)(A) & ... (1.) Payments into the trust fund as specified in Section 1(d)(i) of this Chapter;

...(ii)(B) & ... (2.) Updating of Schedule A of the trust agreement (see Sections 1(1)(i) and (ii) of this Chapter) to show current closure and post-closure cost estimates;

...(ii)(C) & ... (3.) Annual valuations as required by the trust agreement; and

...(ii)(D) & ... (4.) Notices of nonpayment as required by the trust agreement.

264.143/5(d)(4) & 265.143/5(c)(4) (D) The letter of credit must be accompanied by a letter from the owner or operator referring to the letter of credit by number, issuing institution, and date, and providing the following information: the EPA Identification Number, name, and address of the facility, and the amount of funds assured for closure and/or post-closure care of the facility by the letter of credit.

264.143/5(d)(5) & 265.143/5(c)(5) (E) The letter of credit must be irrevocable and issued for a period of at least one (1) year. The letter of credit must provide that the expiration date will be automatically extended for a period of at least one (1) year unless, at least 120 days before the current expiration date, the issuing institution notifies both the owner or operator and the Director by certified mail of a decision not to extend the expiration date. Under the terms of the letter of credit, the 120 days will begin on the date when both the owner or operator and the Director have received the notice, as evidenced by the return receipts.

264.143/5(d)(6) & 265.143/5(c)(6) (F) The letter of credit must be issued in an amount at least equal to the current closure and/or post-closure cost estimate, except as provided in Section 1(d)(vii) of this Chapter.

264.143/5(d)(7) & 265.143/5(c)(7) (G) Whenever the current closure cost estimate increases to an amount greater than the amount of the credit (for post-closure, whenever the current post-closure cost estimate increases to an amount greater than the amount of the credit during the operating life of the facility), the owner or operator, within 60 days after the increase, must either cause the amount of the credit to be increased so that it at least equals the current closure and/or post-closure cost estimate and submit evidence of such increase to the Director, or obtain other financial assurance as specified in Section 1(d) of this Chapter to cover the increase.

Whenever the current closure cost estimate decreases (for post-closure, whenever the current post-closure cost estimate decreases during the operating life of the facility), the amount of the credit may be reduced to the amount of the current closure and/or post-closure cost estimate following written approval by the Director.

264.145(d)(8) & 265.145(c)(8) (H) During the period of post-closure care, the Director may approve a decrease in the amount of the letter of credit if the owner or operator demonstrates to the Director that the amount exceeds the remaining cost of post-closure care.

264.143(d)(8) & 264.145(d)(9)/265.143(c)(8) & 265.145(c)(9) (I) Following a final administrative determination pursuant to Articles 7 and 9 of the Act; W.S. 35-11-503(d); Chapter 11, Section 8(f); or RCRA Section 3008, that the owner or operator has failed to perform final closure and/or post-closure care in accordance with the approved closure plan and/or post-closure care plan, and other permit requirements when required to do so, the Director may draw on the letter of credit.

264.143(d)(9) & 264.145(d)(10) & 265.143(c)(9) & 265.145(c)(10) (J) If the owner or operator does not establish alternate financial assurance as specified in Section 1(d) of this Chapter and obtain written approval of such alternate assurance from the Director within 90 days after receipt by both the owner or operator and the Director of a notice from issuing the institution that it has decided not to extend the letter of credit beyond the current expiration date, the Director will draw on the letter of credit. The Director may delay the drawing if the issuing institution grants an extension of the term of the credit. During the last 30 days of any such extension the Director will draw on the letter of credit if the owner or operator has failed to provide alternate financial assurance as specified in this Section and obtain written approval of such assurance from the Director.

264.143(d)(10) & 265.143(c)(10) & 264.145(d)(11) & 265.145(c)(11) (K) The Director will return the letter of credit to the issuing institution for termination when:

...(i) (I) An owner or operator substitutes alternate financial assurance as specified in Section 1(d) of this Chapter; or

..(ii) (II) The Director releases the owner or operator from the requirements of Section 1(d) of this Chapter in accordance with Section 1(d)(ix) of this Chapter.

264.143/5(e) & 265.143/5(d) (iv) Closure and/or post-closure insurance.

264.143/5(e)(1) & 265.143/5(d)(1) (A) An owner or operator may satisfy the requirements of this Section by obtaining closure and/or post-closure care insurance which conforms to the requirements of this paragraph and submitting a certificate of such insurance to the Director. An owner or operator of a permitted facility must submit the certificate of insurance to the Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal. The insurance must be effective before this initial receipt of hazardous waste. For interim status facilities, by July 13, 1981, the owner or operator must submit to the Director a letter from an insurer stating that the insurer is considering

issuance of closure insurance conforming to the requirements of this paragraph to the owner or operator. Within 90 days after the effective date of these regulations, the owner or operator must submit this certificate of insurance to the Director or establish other financial assurance as specified in Section 1(d) of this Chapter. For permitted and interim status facilities, at a minimum, the insurer must be licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more States.

- 264.143/5(e)(2) & 265.143/5(d)(2) (B) The wording of the certificate of insurance must be identical to the wording specified in Section 1(l)(vi) of this Chapter.
- 264.143/5(e)(3) & 265.143/5(d)(3) (C) The closure and/or post-closure insurance policy must be issued for a face amount at least equal to the current closure and/or post-closure cost estimate, except as provided in Section 1(d)(vii) of this Chapter. The term "face amount" means the total amount the insurer is obligated to pay under the policy. Actual payments by the insurer will not change the face amount, although the insurer's future liability will be lowered by the amount of the payments.
- 264.143/5(e)(4) & 265.143/5(d)(4) (D) The closure and/or post-closure insurance policy must guarantee that funds will be available to close and/or provide post-closure care of the facility whenever final closure and/or the post-closure period begins. The policy must also guarantee that once final closure and/or post-closure care begins, the insurer will be responsible for paying out funds, up to an amount equal to the face amount of the policy, upon the direction of the Director, to such party or parties as the Director specifies.
- 264.143/5(e)(5) & 265.143/5(d)(5) (E) After beginning partial or final closure, an owner or operator or any other person authorized to conduct closure may request reimbursements for those expenditures by submitting itemized bills to the Director. For partial closure, the owner or operator may request reimbursements only if the remaining value of the policy is sufficient to cover the maximum costs of closing the facility over its remaining operating life. For post-closure care, an owner or operator or any other person authorized to perform post-closure care may request reimbursement for post-closure expenditures by submitting itemized bills to the Director. Within 60 days after receiving bills for allowed activities, the Director will instruct the insurer to make reimbursements in those amounts as the Director specifies in writing, if the Director determines that the partial or final closure and/or post-closure care expenditures, are in accordance with the approved closure and/or post-closure plan, or otherwise justified. For closure, if the Director has reason to believe that the maximum cost of closure over the remaining life of the facility will be significantly greater than the face amount of the policy, the Director may withhold reimbursements of such amounts as he or she deems prudent until the Director determines, in accordance with Section 1(d)(ix) of this Chapter, that the owner or operator is no longer required to maintain financial assurance for final closure of the facility. If the Director does not instruct the insurer to make any reimbursements for partial closure/final closure/post-closure expenditures, the Director will provide the owner or operator with a detailed written statement of reasons.

- 264.143/5(e)(6) & 265.143/5(d)(6) (F) The owner or operator must maintain the policy in full force and effect until the Director consents to termination of the policy by the owner or operator as specified in Section 1(d)(iv)(K) of this Chapter. Failure to pay the premium, without substitution of alternate financial assurance as specified in Section 1(d) of this Chapter, will constitute a significant violation of these regulations, warranting such remedy as the Director deems necessary. Such violation will be deemed to begin upon receipt by the Director of a notice of future cancellation, termination, or failure to renew due to nonpayment of the premium, rather than upon the date of expiration.
- 264.143/5(e)(7) & 265.143/5(d)(7) (G) Each policy must contain a provision allowing assignment of the policy to a successor owner or operator. Such assignment may be conditional upon consent of the insurer, provided such consent is not unreasonably refused.
- 264.143/5(e)(8) & 265.143/5(d)(8) (H) The policy must provide that the insurer may not cancel, terminate, or fail to renew the policy except for failure to pay the premium. The automatic renewal of the policy must, at a minimum, provide the insured with the option of renewal at the face amount of the expiring policy. If there is a failure to pay the premium, the insurer may elect to cancel, terminate, or fail to renew the policy by sending notice by certified mail to the owner or operator and the Director. Cancellation, termination, or failure to renew may not occur, however, during the 120 days beginning with the date of receipt of the notice by both the Director and the owner or operator, as evidenced by the return receipts. Cancellation, termination, or failure to renew may not occur and the policy will remain in full force and effect in the event that on or before the date of expiration:
- ...(i) & ...(i) (I) The Director deems the facility abandoned; or
- ...(ii) & ...(ii) (II) The permit is terminated or revoked or a new permit is denied; or interim status is terminated or revoked; or
- ...(iii) & ...(iii) (III) Closure is ordered by the Director or a U.S. district court or other court of competent jurisdiction; or
- ...(iv) & ...(iv) (IV) The owner or operator is named as debtor in a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code; or
- ...(v) & ...(v) (V) The premium due is paid.
- 264.143/5(e)(9) & 265.143/5(d)(9) (I) Whenever the current closure cost estimate increases to an amount greater than the face amount of the policy (for post-closure, whenever the current post-closure cost estimate increases to an amount greater than the face amount of the policy during the operating life of the facility), the owner or operator, within 60 days after the increase, must either cause the face amount to be increased to an amount at least equal to the current closure and/or post-closure cost estimate and submit evidence of such increase to the Director, or obtain other financial assurance as specified in this Section to cover the increase. Whenever the current closure cost estimate decreases (for post-closure, whenever

the current post-closure cost estimate decreases during the operating life of the facility), the face amount may be reduced to the amount of the current closure and/or post-closure cost estimate following written approval by the Director.

264.145(e)(10) & 265.145(d)(10) (J) For post-closure insurance policies, commencing on the date that liability to make payments pursuant to the policy accrues, the insurer will thereafter annually increase the face amount of the policy. Such increase must be equivalent to the face amount of the policy, less any payments made, multiplied by an amount equivalent to 85 percent of the most recent investment rate or of the equivalent coupon-issue yield announced by the U.S. Treasury for 26-week Treasury securities.

264.143(e)(10) & 264.145(e)(11) & 265.143(d)(10) & 265.145(d)(11) (K) The Director will give written consent to the owner or operator that he or she may terminate the insurance policy when:

...(i) & ... (i) (I) An owner or operator substitutes alternate financial assurance as specified in Section 1(d) of this Chapter; or

...(ii) & ... (ii) & ... (ii) & ... (ii) (II) The Director releases the owner or operator from the requirements of this Section in accordance with Section 1(d)(ix) of this Chapter.

264.143/5(f) & 265.143/5(e) (v) Financial test and corporate guarantee for closure and/or post-closure care.

264.143/5(f)(1) & 265.143/5(e)(1) (A) An owner or operator may satisfy the requirements of this Section by demonstrating that he or she passes a financial test as specified in this paragraph. To pass this test the owner or operator must meet the criteria of either Section 1(d)(v)(A)(I) or (II) of this Chapter:

...(i) & ... (i) (I) The owner or operator must have:

...(i)(A) & ... (i)(A) (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

...(i)(B) & ... (i)(B) (2.) Net working capital and tangible net worth each at least six (6) times the sum of the current closure and post-closure cost estimates and the current plugging and abandonment cost estimates; and

...(i)(C) & ... (i)(C) (3.) Tangible net worth of at least \$10 million; and

...(i)(D) & ... (i)(D) (4.) Assets located in the United States amounting to at least ninety (90) percent of total assets or at least six times the sum of the current closure and post-closure cost estimates and the current plugging and abandonment cost estimates.

...(ii) & ... (ii) (II) The owner or operator must have:



- ...(ii)(A) & ...(ii)(A) (1.) A current rating for his or her 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
- ...(ii)(B) & ...(ii)(B) (2.) Tangible net worth at least six (6) times the sum of the current closure and post-closure cost estimates and the current plugging and abandonment cost estimates; and
- ...(ii)(C) & ...(ii)(C) (3.) Tangible net worth of at least \$10 million; and
- ...(ii)(D) & ...(ii)(D) (4.) Assets located in the United States amounting to at least ninety (90) percent of total assets or at least six (6) times the sum of the current closure and post-closure cost estimates and the current plugging and abandonment cost estimates.
- 264.143/5(f)(2) & 265.143/5(e)(2) (B) The phrase "current closure and post-closure cost estimates" as used in Section 1(d)(v)(A) of this Chapter refers to the cost estimates required to be shown in paragraphs 1-4 of the letter from the owner's or operator's chief financial officer (Section 1(1)(vii) of this Chapter). The phrase "current plugging and abandonment cost estimates" as used in Section 1(d)(v)(A) of this Chapter refers to the cost estimates required to be shown in paragraphs 1-4 of the letter from the owner's or operator's chief financial officer [(40 CFR '144.70(f))].
- 264.143/5(f)(3) & 265.143/5(e)(3) (C) To demonstrate that he or she meets this test, the owner or operator must submit the following items to the Director:
- ...(i) & ...(i) (I) A letter signed by the owner's or operator's chief financial officer and worded as specified in Section 1(1)(vii) of this Chapter; and
- ...(ii) & ...(ii) (II) A copy of the independent certified public accountant's report on examination of the owner's or operator's financial statements for the latest completed fiscal year; and
- ...(iii) & ...(iii) (III) A special report from the owner's or operator's independent certified public accountant to the owner or operator stating that:
- ...(iii)(A) & ...(iii)(A) (1.) The accountant has compared the data which the letter from the chief financial officer specifies as having been derived from the independently audited, year-end financial statements for the latest fiscal year with the amounts in such financial statements; and
- ...(iii)(B) & ...(iii)(B) (2.) In connection with that procedure, no matters came to the accountant's attention which caused the accountant to believe that the specified data should be adjusted.
- 264.143/5(f)(4) & 265.143/5(e)(4) (D) An owner or operator of a permitted facility must submit the items specified in Section 1(d)(v)(C) of this

Chapter to the Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal. For interim status facilities, the owner or operator may obtain an extension of the time allowed for submission of the documents specified in Section 1(v)(C) of this Chapter if the fiscal year of the owner or operator ends during the 90 days prior to July 13, 1981, and if the year-end financial statements for that fiscal year will be audited by an independent certified public accountant.

The extension will end no later than 90 days after the end of the owner's or operator's fiscal year. To obtain the extension, the owner's or operator's chief financial officer must send, by the effective date of these regulations, a letter to the Regional Administrator of each Region in which the owner's or operator's facilities to be covered by the financial test are located. This letter from the chief financial officer must:

- 265.143/5(e)(4)(i) (I) Request the extension;
- 265.143/5(e)(4)(ii) (II) Certify that he has grounds to believe that the owner or operator meets the criteria of the financial test;
- 265.143/5(e)(4)(iii) (III) Specify for each facility to be covered by the test the EPA Identification Number, name, address, and current closure and post-closure cost estimates to be covered by the test;
- 265.143/5(e)(4)(iv) (IV) Specify the date ending the owner's or operator's last complete fiscal year before the effective date of these regulations;
- 265.143/5(e)(4)(v) (V) Specify the date, no later than 90 days after the end of such fiscal year, when he will submit the documents specified in Section 1(d)(v)(C) of this Chapter; and
- 265.143/5(e)(4)(vi) (VI) Certify that the year-end financial statements of the owner or operator for such fiscal year will be audited by an independent certified public accountant.
- 264.143/5(f)(5) & 265.143/5(e)(5) (E) After the initial submission of items specified in Section 1(d)(v)(C) of this Chapter, the owner or operator must send updated information to the Director within 90 days after the close of each succeeding fiscal year. This information must consist of all three items specified in Section 1(d)(v)(C) of this Chapter.
- 264.143/5(f)(6) & 265.143/5(e)(6) (F) If the owner or operator no longer meets the requirements of Section 1(d)(v)(A) of this Chapter, he or she must send notice to the Director of intent to establish alternate financial assurance as specified in this Section. The notice must be sent by certified mail within 90 days after the end of the fiscal year for which the year-end financial data show that the owner or operator no longer meets the requirements. The owner or operator must provide the alternate financial assurance within 120 days after the end of such fiscal year.
- 264.143/5(f)(7) & 265.143/5(e)(7) (G) The Director may, based on a reasonable belief that the owner or operator may no longer meet the requirements of Section 1(d)(v)(A) of this Chapter, require reports of financial condition at any time from the owner or operator in

addition to those specified in Section 1(d)(v)(C) of this Chapter. If the Director finds, on the basis of such reports or other information, that the owner or operator no longer meets the requirements of Section 1(d)(v)(A) of this Chapter, the owner or operator must provide alternate financial assurance as specified in this Section within 30 days after notification of such a finding.

264.143/5(f)(8) & 265.143/5(e)(8) (H) The Director may disallow use of this test on the basis of qualifications in the opinion expressed by the independent certified public accountant in his or her report on examination of the owner's or operator's financial statements (see Section 1(d)(v)(C)(II) of this Chapter). An adverse opinion or a disclaimer of opinion will be cause for disallowance. The Director will evaluate other qualifications on an individual basis. The owner or operator must provide alternate financial assurance as specified in this Section within 30 days after notification of the disallowance.

264.145(f)(9) & 265.145(e)(9) (I) During the period of post-closure care, the Director may approve a decrease in the current post-closure cost estimate for which this test demonstrates financial assurance if the owner or operator demonstrates to the Director that the amount of the cost estimate exceeds the remaining cost of post-closure care.

264.143(f)(9) & 264.145(f)(10) & 265.143(e)(9) & 265.145(e)(10) (J) The owner or operator is no longer required to submit the items specified in Section 1(d)(v)(C) of this Chapter when:

...(i) & ... (i) & ... (i) & ... (i) (I) An owner or operator substitutes alternate financial assurance as specified in this Section; or

...(ii) & ... (ii) & ... (ii) & ... (ii) (II) The Director releases the owner or operator from the requirements of this Section in accordance with Section 1(d)(ix) of this Chapter.

264.143(f)(10) & 264.145(f)(11) & 265.143(e)(10) & 265.145(e)(11) (K) An owner or operator may meet the requirements of this Section by obtaining a written guarantee. The guarantor must be the direct or higher-tier parent corporation of the owner or operator, a firm whose parent corporation is also the parent corporation of the owner or operator, or a firm with a "substantial business relationship" with the owner or operator. The guarantor must meet the requirements for owners or operators for closure in Sections 1(d)(v)(A) through (H) of this Chapter, and for post-closure care, Sections 1(d)(v)(A) through (I), and must comply with the terms of the guarantee. The wording of the guarantee must be identical to the wording specified in Section 1(l)(ix) of this Chapter. A certified copy of the guarantee must accompany the items sent to the Director as specified in Section 1(d)(v)(C) of this Chapter. One of these items must be the letter from the guarantor's chief financial officer. If the guarantor's parent corporation is also the parent corporation of the owner or operator, the letter must describe the value received in consideration of the guarantee. If the guarantor is a firm with a "substantial business relationship" with the owner or operator, this letter must describe this "substantial business relationship" and the value received in consideration of the guarantee. The terms of the corporate guarantee must provide that:

...(i) & ... (i) & ... (i) & ... (i) (I) If the owner or operator fails to perform final closure and/or post-closure care of a facility covered by the corporate guarantee in accordance with the closure and/or post-closure care plan, and other permit or interim status requirements whenever required to do so, the guarantor will do so or establish a trust fund as specified in Section 1(d)(i) of this Chapter in the name of the owner or operator.

...(ii) & ... (ii) & ... (ii) & ... (ii) (II) The corporate guarantee will remain in force unless the guarantor sends notice of cancellation by certified mail to the owner or operator and to the Director. Cancellation may not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by both the owner or operator and the Director, as evidenced by the return receipts.

...(iii) & ... (iii) & ... (iii) & ... (iii) (III) If the owner or operator fails to provide alternate financial assurance as specified in this Section and obtain the written approval of such alternate assurance from the Director within 90 days after receipt by both the owner or operator and the Director of a notice of cancellation of the corporate guarantee from the guarantor, the guarantor will provide such alternative financial assurance in the name of the owner or operator.

264.143(c) & 264.145(c) (vi) Surety bond guaranteeing performance of closure and/or post-closure care (**not allowed for interim status facilities**).

264.143(c)(1) & 264.145(c)(1) (A) An owner or operator may satisfy the requirements of this Section by obtaining a surety bond which conforms to the requirements of this paragraph and submitting the bond to the Director. An owner or operator of a permitted facility must submit the bond to the Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal. The bond must be effective before this initial receipt of hazardous waste. The surety company issuing the bond must, at a minimum, be among those listed as acceptable sureties on Federal bonds in Circular 570 of the U.S. Department of the Treasury.

264.143(c)(2) & 264.145(c)(2) (B) The wording of the surety bond must be identical to the wording specified in Section 1(l)(iv) of this Chapter.

264.143(c)(3) & 264.145(c)(3) (C) The owner or operator who uses a surety bond to satisfy the requirements of this Section must also establish a standby trust fund. Under the terms of the bond, all payments made thereunder will be deposited by the surety directly into the standby trust fund in accordance with instructions from the Director. This standby trust must meet the requirements specified in Section 1(d)(i) of this Chapter, except that:

...(i) & ... (i) (I) An originally signed duplicate of the trust agreement must be submitted to the Director with the surety bond; and

...(ii) & ... (ii) (II) Unless the standby trust fund is funded pursuant to the requirements of this Section, the following are not required by these regulations:

- ...(ii)(A) & ...(ii)(A) (1.) Payments into the trust fund as specified in Section 1(d)(i) of this Chapter;
- ...(ii)(B) & ...(ii)(B) (2.) Updating of Schedule A of the trust agreement (see Sections 1(1)(i) and (ii) of this Chapter) to show current closure and post-closure cost estimates;
- ...(ii)(C) & ...(ii)(C) (3.) Annual valuations as required by the trust agreement; and
- ...(ii)(D) & ...(ii)(D) (4.) Notices of nonpayment as required by the trust agreement.
- 264.143(c)(4) & 264.145(c)(4) (D) The bond must guarantee that the owner or operator will:
- ...(i) & ...(i) (I) Perform final closure and/or post-closure care in accordance with the closure and/or post-closure plan and other requirements of the permit for the facility, whenever required to do so; or
- ...(ii) & ...(ii) (II) Provide alternate financial assurance as specified in Section 1(d) of this Chapter, and obtain the Director's written approval of the assurance provided, within 90 days after receipt by both the owner or operator and the Director of a notice of cancellation of the bond from the surety.
- 264.143(c)(5) & 264.145(c)(5) (E) Under the terms of the bond, the surety will become liable on the bond obligation when the owner or operator fails to perform as guaranteed by the bond. Following a final administrative determination pursuant to Articles 7 and 9 of the Act; W.S. 35-11-503(d); Chapter 11, Section 8(f); or RCRA Section 3008 that the owner or operator has failed to perform final closure and/or post-closure care in accordance with the approved closure plan and/or post-closure care plan, and other permit requirements when required to do so, under the terms of the bond the surety will perform final closure and/or post-closure care as guaranteed by the bond or will deposit the amount of the penal sum into the standby trust fund.
- 264.143(c)(6) & 264.145(c)(6) (F) The penal sum of the bond must be in an amount at least equal to the current closure and/or post-closure cost estimate.
- 264.143(c)(7) & 264.145(c)(7) (G) Whenever the current closure cost estimate increases to an amount greater than the penal sum (for post-closure, whenever the current post-closure cost estimate increases during the operating life of the facility), the owner or operator, within 60 days after the increase, must either cause the penal sum to be increased to an amount at least equal to the current closure and/or post-closure cost estimate and submit evidence of such increase to the Director, or obtain other financial assurance as specified in Section 1(d) of this Chapter. Whenever the current closure and/or post-closure cost estimate decreases, the penal sum may be reduced to the amount of the current closure and/or post-closure cost estimate following written approval by the Director.
- 264.145(c)(8) (H) During the period of post-closure care, the

Director may approve a decrease in the penal sum if the owner or operator demonstrates to the Director that the amount exceeds the remaining cost of post-closure care.

264.143(c)(8) & 264.145(c)(9) (I) Under the terms of the bond, the surety may cancel the bond by sending notice of cancellation by certified mail to the owner or operator and to the Director. Cancellation may not occur, however, during the 120 days beginning on the date of receipt of the notice of cancellation by both the owner or operator and the Director, as evidenced by the return receipts.

264.143(c)(9) & 264.145(c)(10) (J) The owner or operator may cancel the bond if the Director has given prior written consent. The Director will provide such written consent when:

...(i) & ...(i) (I) An owner or operator substitutes alternate financial assurance as specified in Section 1(d) of this Chapter; or

...(ii) & ...(ii) (II) The Director releases the owner or operator from the requirements of this Section in accordance with Section 1(d)(ix) of this Chapter.

264.143(c)(10) & 264.145(c)(11) (K) The surety will not be liable for deficiencies in the performance of closure and/or post-closure care by the owner or operator after the Director releases the owner or operator from the requirements of this Section in accordance with Section 1(d)(ix) of this Chapter.

264.143(g) & 264.145(g) & 265.143(f) & 265.145(f) (vii) Use of multiple financial mechanisms. An owner or operator may satisfy the requirements of this Section by establishing more than one financial mechanism per facility. These mechanisms are limited to trust funds, surety bonds guaranteeing payment into a trust fund, letters of credit, and insurance. The mechanisms must be as specified in Sections 1(d)(i), 1(d)(ii), 1(d)(iii), and 1(d)(iv) of this Chapter, respectively, except that it is the combination of mechanisms, rather than the single mechanism, which must provide financial assurance for an amount at least equal to the current closure and/or post-closure cost estimate. If an owner or operator uses a trust fund in combination with a surety bond or a letter of credit, he or she may use the trust fund as the standby trust fund for the other mechanisms. A single standby trust fund may be established for two or more mechanisms. The Director may use any or all of the mechanisms to provide for closure and post-closure care of the facility.

264.143(h) & 264.145(h) & 265.143(g) & 265.145(g) (viii) Use of a financial mechanism for multiple facilities. An owner or operator may use a financial assurance mechanism specified in Section 1(d) of this Chapter to meet the requirements of this Section for more than one facility. Evidence of financial assurance submitted to the Director must include a list showing, for each facility, the EPA Identification Number, name, address, and the amount of funds for closure and post-closure care assured by the mechanism. If the facilities covered by the mechanism are in more than one State, identical evidence of financial assurance must be submitted to and maintained with the Directors of all such States. The amount of funds available through the mechanism must be no less than the sum of funds that would be

available if a separate mechanism had been established and maintained for each facility. In directing funds available through the mechanism for closure and/or post-closure care of any of the facilities covered by the mechanism, the Director may direct only the amount of funds designated for that facility, unless the owner or operator agrees to the use of additional funds available under the mechanism.

264.143/5(i) & 265.143/5(h) (ix) Release of the owner or operator from the requirements of this Section.

(A) Within 60 days after receiving certifications from the owner or operator and an independent registered professional engineer that final closure has been completed in accordance with the approved closure plan and/or that the post-closure care period has been completed for a hazardous waste disposal unit in accordance with the approved plan, the Director will notify the owner or operator in writing that he or she is no longer required by this Section to maintain financial assurance for final closure of the facility and/or post-closure care of that unit, unless the Director has reason to believe that final closure and/or post-closure care has not been in accordance with the approved closure/post-closure plan. The Director shall provide the owner or operator a detailed written statement of any such reason to believe that closure/post-closure has not been in accordance with the approved closure/post-closure plan.

(e) RESERVED.

(f) RESERVED.

264.146 & 265.146 (g) USE OF A MECHANISM FOR FINANCIAL ASSURANCE OF BOTH CLOSURE AND POST-CLOSURE CARE:

(i) An owner or operator may satisfy the requirements for financial assurance for both closure and post-closure care for one or more facilities by using a trust fund, surety bond, letter of credit, insurance, financial test, or corporate guarantee that meets the specifications for the mechanism in Section 1(d) of this Chapter. The amount of funds available through the mechanism must be no less than the sum of funds that would be available if a separate mechanism had been established and maintained for financial assurance of closure and of post-closure care.

264.147 & 265.147 (h) LIABILITY REQUIREMENTS:

264.147(a) & 265.147(a) (i) Coverage for sudden accidental occurrences. An owner or operator of a hazardous waste treatment, storage, or disposal facility, or a group of such facilities, must demonstrate financial responsibility for bodily injury and property damage to third parties caused by sudden accidental occurrences arising from operations of the facility or group of facilities. The owner or operator must have and maintain liability coverage for sudden accidental occurrences in the amount of at least \$1 million per occurrence with an annual aggregate of at least \$2 million, exclusive of legal defense costs. This liability coverage may be demonstrated as specified in Section 1(h)(i)(A), (B), (C), (D), (E) or (F) of this Chapter:

- 264.147(a)(1) & 265.147(a)(1) (A) An owner or operator may demonstrate the required liability coverage by having liability insurance as specified in this paragraph.
- ...(i) & ...(i) (I) Each insurance policy must be amended by attachment of the Hazardous Waste Facility Liability Endorsement or evidenced by a Certificate of Liability Insurance. The wording of the endorsement must be identical to the wording specified in Section 1(1)(xi) of this Chapter. The wording of the certificate of insurance must be identical to the wording specified in Section 1(1)(xii) of this Chapter. The owner or operator must submit a signed duplicate original of the endorsement or the certificate of insurance to the Director, or Directors if the facilities are located in more than one State. If requested by a Director, the owner or operator must provide a signed duplicate original of the insurance policy. An owner or operator of a permitted facility must submit the signed duplicate original of the Hazardous Waste Facility Liability Endorsement or the Certificate of Liability Insurance to the Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal. The insurance must be effective before this initial receipt of hazardous waste.
- ...(ii) & ...(ii) (II) Each insurance policy must be issued by an insurer which, at a minimum, is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more States.
- 264.147(a)(2) & 265.147(a)(2) (B) An owner or operator may meet the requirements of this Section by passing a financial test or using the guarantee for liability coverage as specified in Sections 1(h)(vi) and 1(h)(vii) of this Chapter.
- 264.147(a)(3) & 265.147(a)(3) (C) An owner or operator may meet the requirements of this Section by obtaining a letter of credit for liability coverage as specified in Section 1(h)(viii) of this Chapter.
- 264.147(a)(4) & 265.147(a)(4) (D) An owner or operator may meet the requirements of this Section by obtaining a surety bond for liability coverage as specified in Section 1(h)(ix) of this Chapter.
- 264.147(a)(5) & 265.147(a)(5) (E) An owner or operator may meet the requirements of this Section by obtaining a trust fund for liability coverage as specified in Section 1(h)(x) of this Chapter.
- 264.147(a)(6) & 265.147(a)(6) (F) An owner or operator may demonstrate the required liability coverage through the use of combinations of insurance, financial test, guarantee, letter of credit, surety bond, and trust fund, except that the owner or operator may not combine a financial test covering part of the liability coverage requirement with a guarantee unless the financial statement of the owner or operator is not consolidated with the financial statement of the guarantor. The amounts of coverage demonstrated must total at least the minimum amounts required by Section 1(h) of this Chapter. If the owner or operator demonstrates the required coverage through the use of a combination of financial assurances under this paragraph, the owner or operator shall specify at least one such assurance as "primary" coverage and shall specify other assurances as "excess"



coverage.

264.147(a)(7) & 265.147(a)(7) (G) An owner or operator shall notify the Director in writing within 30 days whenever:

...(i) & ...(i) (I) A claim results in a reduction in the amount of financial assurance for liability coverage provided by a financial instrument authorized in Sections 1(h)(i)(A) through (F) of this Chapter; or

...(ii) & ...(ii) (II) A Certification of Valid Claim for bodily injury or property damages caused by a sudden or non-sudden accidental occurrence arising from the operation of a hazardous waste treatment, storage, or disposal facility is entered between the owner or operator and third-party claimant for liability coverage under Sections 1(h)(i)(A) through (F) of this Chapter; or

...(iii) & ...(iii) (III) A final court order establishing a judgement for bodily injury or property damage caused by a sudden or non-sudden accidental occurrence arising from the operation of a hazardous waste treatment, storage, or disposal facility is issued against the owner or operator or an instrument that is providing financial assurance for liability coverage under Sections 1(h)(i)(A) through (F) of this Chapter.

264.147(b) & 265.147(b) (ii) Coverage for nonsudden accidental occurrences. An owner or operator of a surface impoundment, landfill, or land treatment facility, or disposal miscellaneous unit that is used to manage hazardous waste, or a group of such facilities, must demonstrate financial responsibility for bodily injury and property damage to third parties caused by nonsudden accidental occurrences arising from operations of the facility or group of facilities. The owner or operator must have and maintain liability coverage for nonsudden accidental occurrences in the amount of at least \$3 million per occurrence with an annual aggregate of at least \$6 million, exclusive of legal defense costs. An owner or operator who must meet the requirements of this Section may combine the required per occurrence coverage levels for sudden and nonsudden accidental occurrences into a single per-occurrence level, and combine the required annual aggregate coverage levels for sudden and nonsudden accidental occurrences into a single annual aggregate level. Owners or operators who combine coverage levels for sudden and nonsudden accidental occurrences must maintain liability coverage in the amount of at least \$4 million per occurrence and \$8 million annual aggregate. This liability coverage may be demonstrated as specified in Section 1(h)(ii)(A), (B), (C), (D), (E), or (F) of this Chapter, below:

264.147(b)(1) & 265.147(b)(1) (A) An owner or operator may demonstrate the required liability coverage by having liability insurance as specified in this paragraph.

...(i) (I) For permitted facilities, each insurance policy must be amended by attachment of the Hazardous Waste Facility Liability Endorsement or evidenced by a Certificate of Liability Insurance. The wording of the endorsement must be identical to the wording specified in Section 1(l)(xi) of this Chapter. The wording of the certificate of insurance must be identical to the wording specified in Section 1(l)(xii) of this

Chapter. The owner or operator must submit a signed duplicate original of the endorsement or the certificate of insurance to the Director or Regional Administrators if the facilities are located in more than one Region. If requested by a Director or Regional Administrator, the owner or operator must provide a signed duplicate original of the insurance policy. An owner or operator of a permitted facility must submit the signed duplicate original of the Hazardous Waste Facility Liability Endorsement or the Certificate of Liability Insurance to the Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal. The insurance must be effective before this initial receipt of hazardous waste.

- ...(ii) (II) For permitted facilities, each insurance policy must be issued by an insurer which, at a minimum, is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more States.
- 264.147(b)(2) & 265.147(b)(2) (B) An owner or operator may meet the requirements of this Section by passing a financial test or using the guarantee for liability coverage as specified in Sections 1(h)(vi) and (vii) of this Chapter.
- 264.147(b)(3) & 265.147(b)(3) (C) An owner or operator may meet the requirements of this Section by obtaining a letter of credit for liability coverage as specified in Section 1(h)(viii) of this Chapter.
- 264.147(b)(4) & 265.147(b)(4) (D) An owner or operator may meet the requirements of this Section by obtaining a surety bond for liability coverage as specified in Section 1(h)(ix) of this Chapter.
- 264.147(b)(5) & 265.147(b)(5) (E) An owner or operator may meet the requirements of this Section by obtaining a trust fund for liability coverage as specified in Section 1(h)(x) of this Chapter.
- 264.147(b)(6) & 265.147(b)(6) (F) An owner or operator may demonstrate the required liability coverage through the use of combinations of insurance, financial test, guarantee, letter of credit, surety bond, and trust fund, except that the owner or operator may not combine a financial test covering part of the liability coverage requirement with a guarantee unless the financial statement of the owner or operator is not consolidated with the financial statement of the guarantor. The amounts of coverage demonstrated must total at least the minimum amounts required by this Section. If the owner or operator demonstrates the required coverage through the use of a combination of financial assurances under this paragraph, the owner or operator shall specify at least one such assurance as "primary" coverage and shall specify other assurances as "excess" coverage.
- 264.147(b)(7) & 265.147(b)(7) (G) An owner or operator shall notify the Director in writing within 30 days, whenever:
- ...(i) & ...(i) (I) A claim results in a reduction in the amount of financial assurance for liability coverage provided by a financial instrument authorized in Sections 1(h)(ii)(A) through (F) of this Chapter; or

...(ii) & ...  
(II) A Certification of Valid Claim for bodily injury or property damages caused by a sudden or non-sudden accidental occurrence arising from the operation of a hazardous waste treatment, storage, or disposal facility is entered between the owner or operator and third-party claimant for liability coverage under Sections 1(h)(ii)(A) through (F) of this Chapter; or

...(iii) & ...  
(III) A final court order establishing a judgement for bodily injury or property damage caused by a sudden or non-sudden accidental occurrence arising from the operation of a hazardous waste treatment, storage, or disposal facility is issued against the owner or operator or an instrument that is providing financial assurance for liability coverage under Sections 1(h)(ii)(A) through (F) of this Chapter.

264.147(c) & 265.147(c) (iii) Request for variance. If an owner or operator can demonstrate to the satisfaction of the Director that the levels of financial responsibility required by Section 1(h)(i) or (ii) of this Chapter are not consistent with the degree and duration of risk associated with treatment, storage, or disposal at the facility or group of facilities, the owner or operator may obtain a variance from the Director. The request for a variance must be submitted in writing to the Director as part of the application under Chapter 3, Section 2(e) of these rules and regulations for a facility that does not have a permit, or pursuant to the procedures for permit modification under Chapter 6, Section 1(a) of these rules and regulations of these rules for a facility that has a permit. If granted, the variance will take the form of an adjusted level of required liability coverage, such level to be based on the Director's assessment of the degree and duration of risk associated with the ownership or operation of the facility or group of facilities. The Director may require an owner or operator who requests a variance to provide such technical and engineering information as is deemed necessary by the Director to determine a level of financial responsibility other than that required by Sections 1(h)(i) or (ii) of this Chapter. Any request for a variance will be treated as a request for a permit modification under Chapter 6, Section 2(b)(i)(E) of these rules and regulations and subject to the procedures of Chapter 6, Section 1(a) of these rules and regulations. For interim status facilities, notwithstanding any other provision, the Director may hold a public hearing at his discretion or whenever he finds, on the basis of requests for a public hearing a significant degree of public interest in a tentative decision to grant a variance.

264.147(d) & 265.147(d) (iv) Adjustments by the Director. If the Director determines that the levels of financial responsibility required by Section 1(h)(i) or (ii) of this Chapter are not consistent with the degree and duration of risk associated with treatment, storage, or disposal at the facility or group of facilities, the Director may adjust the level of financial responsibility required under Section 1(h)(i) or (ii) of this Chapter as may be necessary to protect human health and the environment. This adjusted level will be based on the Director's assessment of the degree and duration of risk associated with the ownership or operation of the facility or group of facilities. In addition, if the Director determines that there is a significant risk to human health and the environment from nonsudden accidental occurrences resulting from the operations of a facility that is not a surface impoundment, landfill, or land

treatment facility, the Director may require that an owner or operator of the facility comply with Section 1(h)(ii) of this Chapter. An owner or operator must furnish to the Director, within a reasonable time, any information which the Director requests to determine whether cause exists for such adjustments of level or type of coverage. Any adjustment of the level or type of coverage for a facility that has a permit will be treated as a permit modification under Chapter 6, Sections 2(b)(i)(E) and 1(a) of these rules and regulations. For interim status facilities, notwithstanding any other provision, the Director may hold a public hearing at his discretion or whenever he finds, on the basis of requests for a public hearing a significant degree of public interest in a tentative decision to grant a variance.

264.147(e) & 265.147(e) (v) Period of coverage. Within 60 days after receiving certifications from the owner or operator and an independent registered professional engineer that final closure has been completed in accordance with the approved closure plan, the Director will notify the owner or operator in writing that the owner or operator is no longer required by this Section to maintain liability coverage for that facility, unless the Director has reason to believe that closure has not been in accordance with the approved closure plan.

264.147(f) & 265.147(f) (vi) Financial test for liability coverage.

264.147(f)(1) & 265.147(f)(1) (A) An owner or operator may satisfy the requirements of this Section by demonstrating that he or she passes a financial test as specified in this paragraph. To pass this test the owner or operator must meet the criteria of Section 1(h)(vi)(I) or (II) below:

...(i) & ...(i) (I) The owner or operator must have:

...(i)(A) & ...(i)(A) (1.) Net working capital and tangible net worth each at least six (6) times the amount of liability coverage to be demonstrated by this test; and

...(i)(B) & ...(i)(B) (2.) Tangible net worth of at least \$10 million; and

...(i)(C) & ...(i)(C) (3.) Assets in the United States amounting to either:

...(i)(C)(1) & ...(i)(C)(1) a. At least ninety (90) percent of his total assets; or

...(i)(C)(2) & ...(i)(C)(2) b. at least six (6) times the amount of liability coverage to be demonstrated by this test.

...(ii) & ...(ii) (II) The owner or operator must have:

...(ii)(A) & ...(ii)(A) (1.) A current rating for the owner or operator's 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

...(ii)(B) & ...(ii)(B) (2.) Tangible net worth of at least \$10 million; and

- ...(ii)(C) & ...(ii)(C) (3.) Tangible net worth at least six (6) times the amount of liability coverage to be demonstrated by this test; and
- ...(ii)(D) & ...(ii)(D) (4.) Assets in the United States amounting to either:
- ...(ii)(D)(1) & ...(ii)(D)(1) a. At least ninety (90) percent of the owner or operator's total assets; or
- ...(ii)(D)(2) & ...(ii)(D)(2) b. At least six (6) times the amount of liability coverage to be demonstrated by this test.
- 264.147(f)(2) & 265.147(f)(2) (B) The phrase "amount of liability coverage" as used in Section 1(h)(vi)(A) of this Chapter refers to the annual aggregate amounts for which coverage is required under Sections 1(h)(i) and (ii) of this Chapter.
- 264.147(f)(3) & 265.147(f)(3) (C) To demonstrate that the owner or operator meets this test, the owner or operator must submit the following three items to the Director:
- ...(i) & ...(i) (I) A letter signed by the owner's or operator's chief financial officer and worded as specified in Section 1(l)(viii) of this Chapter. If an owner or operator is using the financial test to demonstrate both assurance for closure or post-closure care, as specified by Section 1(d)(v) of this Chapter, and liability coverage, he or she must submit the letter specified in Section 1(l)(viii) of this Chapter to cover both forms of financial responsibility; a separate letter as specified in Section 1(l)(vii) of this Chapter is not required.
- ...(ii) & ...(ii) (II) A copy of the independent certified public accountant's report on examination of the owner's or operator's financial statements for the latest completed fiscal year.
- ...(iii) & ...(iii) (III) A special report from the owner's or operator's independent certified public accountant to the owner or operator stating that:
- ...(iii)(A) & ...(iii)(A) (1.) He or she has compared the data which the letter from the chief financial officer specifies as having been derived from the independently audited, year-end financial statements for the latest fiscal year with the amounts in such financial statements; and
- ...(iii)(B) & ...(iii)(B) (2.) In connection with that procedure, no matters came to his or her attention which caused the independent certified public accountant to believe that the specified data should be adjusted.
- 264.147(f)(4) (D) An owner or operator of a permitted facility must submit the items specified in Section 1(h)(vi)(C) of this Chapter to the Director at least 60 days before the date on which hazardous waste is first received for treatment, storage, or disposal.

- 265.147(f)(4) (E) For interim status facilities, the owner or operator may obtain a one-time extension of the time allowed for submission of the documents specified in Section 1(h)(vi)(C) of this Chapter if the fiscal year of the owner or operator ends during the 90 days prior to July 13, 1981, and if the year-end financial statements for that fiscal year will be audited by an independent certified public accountant. The extension will end no later than 90 days after the end of the owner's or operator's fiscal year. To obtain the extension, the owner's or operator's chief financial officer must send, by the effective date of these regulations, a letter to the Regional Administrator of each Region in which the owner's or operator's facilities to be covered by the financial test are located. This letter from the chief financial officer must:
- 265.147(f)(4)(i) (I) Request the extension;
- 265.147(f)(4)(ii) (II) Certify that he has grounds to believe that the owner or operator meets the criteria of the financial test;
- 265.147(f)(4)(iii) (III) Specify for each facility to be covered by the test the EPA Identification Number, name, address, the amount of liability coverage and, when applicable, current closure and post-closure cost estimates to be covered by the test;
- 265.147(f)(4)(iv) (IV) Specify the date ending the owner's or operator's last complete fiscal year before the effective date of these regulations;
- 265.147(f)(4)(v) (V) Specify the date, no later than 90 days after the end of such fiscal year, when he will submit the documents specified in Section 1(h)(vi)(C) of this Chapter; and
- 265.147(f)(4)(vi) (VI) Certify that the year-end financial statements of the owner or operator for such fiscal year will be audited by an independent certified public accountant.
- 264.147(f)(5) & 265.147(f)(5) (F) After the initial submission of items specified in Section 1(h)(vi)(C) of this Chapter, the owner or operator must send updated information to the Director within 90 days after the close of each succeeding fiscal year. This information must consist of all three items specified in Section 1(h)(vi)(C) of this Chapter.
- 264.147(f)(6) & 265.147(f)(6) (G) If the owner or operator no longer meets the requirements of Section 1(h)(vi)(A) of this Chapter, the owner or operator must obtain insurance, a letter of credit, a surety bond, a trust fund, or a guarantee for the entire amount of required liability coverage as specified in this Section. Evidence of liability coverage must be submitted to the Director within 90 days after the end of the fiscal year for which the year-end financial data show that the owner or operator no longer meets the test requirements.
- 264.147(f)(7) & 265.147(f)(7) (H) The Director may disallow use of this test on the basis of qualifications in the opinion expressed by the independent certified public accountant in his or her report on examination of the owner's or operator's financial statements (see Section 1(h)(vi)(C)(III) of this Chapter). An adverse opinion or a

disclaimer of opinion will be cause for disallowance. The Director will evaluate other qualifications on an individual basis. The owner or operator must provide evidence of insurance for the entire amount of required liability coverage as specified in this Section within 30 days after notification of disallowance.

264.147(g) & 265.147(g) (vii) Guarantee for liability coverage.

264.147(g)(1) & 265.147(g)(1) (A) Subject to Section 1(h)(vii)(B) of this Chapter, an owner or operator may meet the requirements of this Section by obtaining a written guarantee, hereinafter referred to as "guarantee." The guarantor must be the direct or higher-tier parent corporation of the owner or operator, a firm whose parent corporation is also the parent corporation of the owner or operator, or a firm with a "substantial business relationship" with the owner or operator. The guarantor must meet the requirements for owners or operators in Sections 1(h)(vi)(A) through (G) of this Chapter. The wording of the guarantee must be identical to the wording specified in Section 1(l)(x) of this Chapter. A certified copy of the guarantee must accompany the items sent to the Director as specified in Section 1(h)(vi)(C) of this Chapter. One of these items must be the letter from the guarantor's chief financial officer. If the guarantor's parent corporation is also the parent corporation of the owner or operator, this letter must describe the value received in consideration of the guarantee. If the guarantor is a firm with a "substantial business relationship" with the owner or operator, this letter must describe this "substantial business relationship" and the value received in consideration of the guarantee.

...(i) & ...(i) (I) If the owner or operator fails to satisfy a judgment based on a determination of liability for bodily injury or property damage to third parties caused by sudden or nonsudden accidental occurrences (or both as the case may be), arising from the operation of facilities covered by this corporate guarantee, or fails to pay an amount agreed to in settlement of claims arising from or alleged to arise from such injury or damage, the guarantor will do so up to the limits of coverage.

...(ii) & ...(ii) (II) Reserved.

264.147(g)(2) & 265.147(g)(2) (B) In the case of:

...(i) & ...(i) (I) Corporations incorporated in the United States, a guarantee may be used to satisfy the requirements of this Section only if the Attorney(s) General or insurance commissioner(s) of the State in which the guarantor is incorporated and the State(s) in which the facility(ies) covered by the guarantee is (are) located has (have) submitted a written statement to the Director that a guarantee executed as described in this Section and Section 1(l)(x) of this Chapter is a legally valid and enforceable obligation in that State and in Wyoming;

...(ii) & ...(ii) (II) Corporations incorporated outside the United States, a guarantee may be used to satisfy the requirements of this Section only if:

...(ii)(A) & ...(ii)(A) (1.) The non-U.S. corporation has identified a registered agent for service of process in Wyoming and in each State in which a facility covered by the guarantee is

located and in the state in which it has its principal place of business, and if

- ...(ii)(B) & ... (ii)(B) (2.) The Attorney(s) General or insurance commissioner(s) of each State in which a facility covered by the guarantee is located and the State in which the guarantor corporation has its principal place of business, has submitted a written statement to the Director that a guarantee executed as described in this Section and Section 1(1)(x)(B) of this Chapter is a legally valid and enforceable obligation in that State.
- 264.147(h) & 265.147(h) (viii) Letter of credit for liability coverage.
- 264.147(h)(1) & 265.147(h)(1) (A) An owner or operator may satisfy the requirements of this Section by obtaining an irrevocable standby letter of credit that conforms to the requirements of this paragraph and submitting a copy of the letter of credit to the Director.
- 264.147(h)(2) & 265.147(h)(2) (B) The financial institution issuing the letter of credit must be an entity that has the authority to issue letters of credit and whose letter of credit operations are regulated and examined by a Federal or State agency.
- 264.147(h)(3) & 265.147(h)(3) (C) The wording of the letter of credit must be identical to the wording specified in Section 1(1)(xiii) of this Chapter.
- 264.147(h)(4) & 265.147(h)(4) (D) An owner or operator who uses a letter of credit to satisfy the requirements of this Section may also establish a standby trust fund. Under the terms of such a letter of credit, all amounts paid pursuant to a draft by the trustee of the standby trust will be deposited by the issuing institution into the standby trust in accordance with instructions from the trustee. The trustee of the standby trust fund must be an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency.
- 264.147(h)(5) & 265.147(h)(5) (E) The wording of the standby trust fund must be identical to the wording specified in Section 1(1)(xvi) of this Chapter.
- 264.147(i) & 265.147(i) (ix) Surety bond for liability coverage.
- 264.147(i)(1) & 265.147(i)(1) (A) An owner or operator may satisfy the requirements of Section 1(h) of this Chapter by obtaining a surety bond that conforms to the requirements of this paragraph and submitting a copy of the bond to the Director.
- 264.147(i)(2) & 265.147(i)(2) (B) The surety company issuing the bond must be among those listed as acceptable sureties on Federal bonds in the most recent Circular 570 of the U.S. Department of the Treasury.
- 264.147(i)(3) & 265.147(i)(3) (C) The wording of the surety bond must be identical to the wording specified in Section 1(1)(xiv) of this Chapter.
- 264.147(i)(4) & 265.147(i)(4) (D) A surety bond may be used to satisfy the requirements of this Section only if the Attorneys General or Insurance Commissioners of:



- ...(i) & ...  
 incorporated, and
- ...(ii) & ...  
 (II) Each State in which a facility covered by the surety bond is located have submitted a written statement to the Director that a surety bond executed as described in Sections 1(h) and 1(l)(xiv) of this Chapter is a legally valid and enforceable obligation in that State.
- 264.147(j) & 265.147(j) (x) Trust fund for liability coverage.
- 264.147(j)(1) & 265.147(j)(1) (A) An owner or operator may satisfy the requirements of Section 1(h) of this Chapter by establishing a trust fund that conforms to the requirements of this paragraph and submitting an originally signed duplicate of the trust agreement to the Director.
- 264.147(j)(2) & 265.147(j)(2) (B) The trustee must be an entity which has the authority to act as a trustee and whose trust operations are regulated and examined by a Federal or State agency.
- 264.147(j)(3) & 265.147(j)(3) (C) The trust fund for liability coverage must be funded for the full amount of the liability coverage to be provided by the trust fund before it may be relied upon to satisfy the requirements of Section 1(h) of this Chapter. If at any time after the trust fund is created, the amount of funds in the trust fund is reduced below the full amount of the liability coverage to be provided, the owner or operator, by the anniversary date of the establishment of the fund, must either add sufficient funds to the trust fund to cause its value to equal the full amount of liability coverage to be provided, or obtain other financial assurance as specified in Section 1(h) of this Chapter to cover the difference. For purposes of this paragraph, "the full amount of the liability coverage to be provided" means the amount of coverage for sudden and/or nonsudden occurrences required to be provided by the owner or operator by Section 1(h) of this Chapter, less the amount of financial assurance for liability coverage that is being provided by other financial assurance mechanisms being used to demonstrate financial assurance by the owner or operator.
- 264.147(j)(4) & 265.147(j)(4) (D) The wording of the trust fund must be identical to the wording specified in Sections 1(l)(xv) and (xvi) of this Chapter.
- 264.147(k) & 265.147(k) (xi) Reserved^.
- 264.148 & 265.148 (i) INCAPACITY OF OWNERS OR OPERATORS, GUARANTORS, OR FINANCIAL INSTITUTIONS:
- 264.148(a) & 265.148(a) (i) An owner or operator must notify the Director by certified mail of the commencement of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming the owner or operator as debtor, within ten (10) days after commencement of the proceeding. A guarantor of a corporate guarantee as specified in Section 1(d)(v) of this Chapter must make such a notification if he or she is named as debtor, as required under the terms of the corporate guarantee (Sections 1(l)(ix) and (x)).

264.148(b) & 265.148(b) (ii) An owner or operator who fulfills the requirements of Sections 1(d), and (h) of this Chapter by obtaining a trust fund, surety bond, letter of credit, or insurance policy will be deemed to be without the required financial assurance or liability coverage in the event of bankruptcy of the trustee or issuing institution, or a suspension or revocation of the authority of the trustee institution to act as trustee or of the institution issuing the surety bond, letter of credit, or insurance policy to issue such instruments. The owner or operator must establish other financial assurance or liability coverage within 60 days after such an event.

264/5.149 & 264/5.150 (j) - (k) RESERVED^.

264.151 (1) WORDING OF THE INSTRUMENTS:

264.151(a)(1) (i) A trust agreement for a trust fund, as specified in Section 1(d)(i) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part I, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;

264.151(a)(2) (ii) An example of the certification of acknowledgment which must accompany the trust agreement for a trust fund as specified in Section 1(d)(i) of this Chapter is provided in Chapter 5, Appendix A, Part II;

264.151(b) (iii) A surety bond guaranteeing payment into a trust fund, as specified in Section 1(d)(ii) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part III, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;

264.151(c) (iv) A surety bond guaranteeing performance of closure and/or post-closure care, as specified in Section 1(d)(vi) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part IV, except that the instructions in brackets are to be replaced with the relevant information and the brackets deleted;

264.151(d) (v) A letter of credit, as specified in Section 1(d)(iii) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part V, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;

264.151(e) (vi) A certificate of insurance, as specified in Section 1(d)(iv) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part VI, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;

264.151(f) (vii) A letter from the chief financial officer, as specified in Section 1(d)(v) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part VII, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;

264.151(g) (viii) A letter from the chief financial officer, as specified in Section 1(h)(vi) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part VIII, except that instructions in brackets are to be replaced with the relevant

information and the brackets deleted;

- 264.151(h)(1) (ix) A corporate guarantee, as specified in Section 1(d)(v) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part IX, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;
- 264.151(h)(2) (x) A guarantee, as specified in Section 1(h)(vii), must be worded as specified in Chapter 5, Appendix A, Part X, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;
- 264.151(i) (xi) A hazardous waste facility liability endorsement, as required in Section 1(h) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part XI, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;
- 264.151(j) (xii) A certificate of liability insurance, as required in Section 1(h) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part XII, except that the instructions in brackets are to be replaced with the relevant information and the brackets deleted;
- 264.151(k) (xiii) A letter of credit, as specified in Section 1(h)(viii) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part XIII, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;
- 264.151(l) (xiv) A surety bond, as specified in Section 1(h)(ix) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part XIV, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;
- 264.151(m)(1) (xv) A trust agreement, as specified in Section 1(h)(x) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part XV, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted;
- 264.151(m)(2) (xvi) A certificate of acknowledgement which must accompany the trust agreement for a trust fund as specified in Section 1(h)(x) of this Chapter, must be worded as specified in Chapter 5, Appendix A, Part XVI;
- 264.151(n)(1) (xvii) An example of the standby trust agreement, as specified in Section 1(h)(viii) of this Chapter is provided in Chapter 5, Appendix A, Part XVII, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted.
- 264.151(n)(2) (xviii) An example of the certificate of acknowledgement which must accompany the trust agreement for a standby trust fund as specified in Section 1(h)(viii) of this Chapter is provided in Chapter 5, Appendix A, Part XVII, Section 18(2).

Appendix A - Financial Assurance Instruments

Part I - Trust Agreement

TRUST AGREEMENT

Trust Agreement, the "Agreement", entered into as of [date] by and between [name of the owner or operator], a [name of State] [insert "corporation", "partnership", "association", or "proprietorship"], the "Guarantor", and [name of corporate trustee], [insert "incorporated in the State of --" or "a national bank"], the "Trustee".

Whereas, the Department of Environmental Quality, "DEQ", an agency of the State of Wyoming, has established certain regulations applicable to the Guarantor, requiring that an owner or operator of a hazardous waste management facility shall provide assurance that funds will be available when needed for closure and/or post-closure care of the facility,

Whereas, the Guarantor has elected to establish a trust to provide all or part of such financial assurance for the facilities identified herein,

Whereas, the Guarantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee,

Now, Therefore, the Guarantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

(a) The term "Guarantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Guarantor.

(b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

Section 2. Identification of Facilities and Cost Estimates. This Agreement pertains to the facilities and cost estimates identified on attached Schedule A [on Schedule A, for each facility list the EPA Identification Number, name, address, and the current closure and/or post-closure cost estimates, or portions thereof, for which financial assurance is demonstrated by this Agreement].

Section 3. Establishment of Fund. The Guarantor and the Trustee hereby establish a trust fund, the "Fund", for the benefit of DEQ. The Guarantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee,

IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Guarantor, any payments necessary to discharge any liabilities of the Guarantor established by DEQ.

Section 4. Payment for Closure and Post-Closure Care. The Trustee shall make payments from the Fund as the DEQ Director shall direct, in writing, to provide for the payment of the costs of closure and/or post-closure care of the facilities covered by this Agreement. The Trustee shall reimburse the Guarantor or other persons as specified by the DEQ Director from the Fund for closure and post-closure expenditures in such amounts as the DEQ Director shall direct in writing. In addition, the Trustee shall refund to the Guarantor such amounts as the DEQ Director specifies in writing. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines which the Guarantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims;  
EXCEPT THAT:

(i) Securities or other obligations of the Guarantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

(ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and

(iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject

to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Guarantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Guarantor and to the appropriate DEQ Director a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Guarantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Guarantor and the DEQ Director shall constitute a conclusively binding assent by the Guarantor, barring the Guarantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Guarantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Guarantor.

Section 13. Successor Trustee. The Trustee may resign or the Guarantor may replace the Trustee, but such resignation or replacement shall not be effective until the Guarantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Guarantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Guarantor, the DEQ Director, and the present Trustee by certified mail ten (10) days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. Instructions to the Trustee. All orders, requests, and instructions by the Guarantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Guarantor may designate by amendment to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Guarantor's orders, requests, and instructions. All orders, requests, and instructions by the DEQ Director to the Trustee shall be in writing, signed by the DEQ Director or his or her designee, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Guarantor or DEQ hereunder has occurred. The Trustee shall have no duty to act in the absence of

such orders, requests, and instructions from the Guarantor and/or DEQ, except as provided for herein.

Section 15. Notice of Nonpayment. The Trustee shall notify the Guarantor and the DEQ Director, by certified mail within ten (10) days following the expiration of the 30-day period after the anniversary of the establishment of the Trust, if no payment is received from the Guarantor during that period. After the pay-in period is completed, the Trustee shall not be required to send a notice of nonpayment.

Section 16. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Guarantor, the Trustee, and the DEQ Director, or by the Trustee and the DEQ Director if the Guarantor ceases to exist.

Section 17. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Guarantor, the Trustee, and the DEQ Director, or by the Trustee and the DEQ Director, if the Guarantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered to the Guarantor.

Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Guarantor or the DEQ Director issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Guarantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Guarantor fails to provide such defense.

Section 19. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Wyoming.

Section 20. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written: The parties below certify that the wording of this Agreement is identical to the wording specified in Chapter 5, Appendix A, Part I of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date first above written.

[Signature of Guarantor]  
[Title]



Attest:  
    [Title]  
    [Seal]  
    [Signature of Trustee]

Attest:  
    [Title]  
    [Seal]

Appendix A - Financial Assurance Instruments, continued:

Part II - Example Certification of Acknowledgement Which  
Must Accompany the Trust Agreement For a Trust Fund:

CERTIFICATION

State of \_\_\_\_\_

County of \_\_\_\_\_

On this [date], before me personally came [owner or operator] to me known, who, being by me duly sworn, did depose and say that she/he resides at [address], that she/he is [title] of [corporation], the corporation described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

[Signature of Notary Public]

Appendix A - Financial Assurance Instruments, continued:

Part III - Surety Bond Guaranteeing Payment to Trust:

FINANCIAL GUARANTEE BOND

Date bond executed:

Effective date:

Principal: [legal name and business address of owner or operator]

Type of Organization: [insert "individual", "joint venture",  
"partnership", or "corporation"]

State of incorporation: \_\_\_\_\_

Surety(ies): [name(s) and business address(es)]

EPA Identification Number, name, address and closure and/or post-  
closure amount(s) for each facility guaranteed by this bond  
[indicate closure and post-closure amounts separately]:  
\_\_\_\_\_

Total penal sum of  
bond: \$\_\_\_\_\_

Surety's bond number: \_\_\_\_\_

Know All Persons By These Presents, That we, the Principal and Surety(ies) hereto are firmly bound to the Wyoming Department of Environmental Quality (hereinafter called DEQ), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas said Principal is required, under the Wyoming Environmental Quality Act (EQA), to have a permit or interim status in order to own or operate each hazardous waste management facility identified above, and

Whereas said Principal is required to provide financial assurance for closure, or closure and post-closure care, as a condition of the permit or interim status, and

Whereas said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;

Now, Therefore, the conditions of the obligation are such that if the Principal shall faithfully, before the beginning of final closure of each facility identified above, fund the standby trust

fund in the amount(s) identified above for the facility,

Or, if the Principal shall fund the standby trust fund in such amount(s) within 15 days after a final order to begin closure is issued by the DEQ Director or a U.S. district court or other court of competent jurisdiction,

Or, if the Principal shall provide alternate financial assurance, as specified in Chapter 5, Section 1, of the Wyoming Hazardous Waste Management Rules and Regulations, as applicable, and obtain the DEQ Director's written approval of such assurance, within 90 days after the date notice of cancellation is received by both the Principal and the Director from the Surety(ies), then this obligation shall be null and void; otherwise it is to remain in full force and effect.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above. Upon notification by the Director that the Principal has failed to perform as guaranteed by this bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund as directed by the Director.

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and to the Director provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the DEQ Director, as evidenced by the return receipts.

The Principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the Director.

[The following paragraph is an optional rider that may be included but is not required.]

Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new closure and/or post-closure amount, provided that the penal sum does not increase by more than twenty (20) percent in any one year, and no decrease in the penal sum takes place without the written permission of the Director.

In Witness Whereof, the Principal and Surety(ies) have executed this Financial Guarantee Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the

Principal and Surety(ies) and that the wording of this surety bond is identical to the wording specified in Chapter 5, Appendix A, Part III of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date this bond was executed.

PRINCIPAL

[Signature(s)]

[Name(s)]

[Title(s)]

[Corporate seal]

CORPORATE SURETY(IES)

[Name and address]

State of incorporation:

Liability limit: \$

[Signature(s)]

[Name(s) and title(s)]

[Corporate seal]

[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.]

Bond premium: \$\_\_\_\_\_

Appendix A - Financial Assurance Instruments, continued:

Part IV - Surety Bond Guaranteeing Performance:

PERFORMANCE BOND

Date bond executed:

Effective date:

Principal: [legal name and business address of owner or operator]

Type of organization: [insert "individual," "joint venture,"  
"partnership," or "corporation"]

State of incorporation:

Surety(ies): [name(s) and business address(es)]

EPA Identification Number, name, address, and closure and/or post-  
closure amount(s) for each facility guaranteed by this bond  
[indicate closure and post-closure amounts  
separately]: \_\_\_\_\_

Total penal sum of bond: \$ \_\_\_\_\_

Surety's bond number: \_\_\_\_\_

Know All Persons By These Presents, That we, the Principal and Surety(ies) hereto are firmly bound to the Wyoming Department of Environmental Quality (hereinafter called DEQ), in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Surety(ies) are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be the full amount of the penal sum.

Whereas said Principal is required, under the Wyoming Environmental Quality Act (EQA), to have a permit in order to own or operate each hazardous waste management facility identified above, and

Whereas said Principal is required to provide financial assurance for closure, or closure and post-closure care, as a condition of the permit, and

Whereas said Principal shall establish a standby trust fund as is required when a surety bond is used to provide such financial assurance;

Now, Therefore, the conditions of this obligation are such that if the Principal shall faithfully perform closure, whenever required to do so, of each facility for which this bond guarantees

*closure, in accordance with the closure plan and other requirements of the permit as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended,*

*And, if the Principal shall faithfully perform post-closure care of each facility for which this bond guarantees post-closure care, in accordance with the post-closure plan and other requirements of the permit, as such plan and permit may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended,*

*Or, if the Principal shall provide alternate financial assurance as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations, and obtain the DEQ Director's written approval of such assurance, within 90 days after the date notice of cancellation is received by both the Principal and the DEQ director from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.*

*The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.*

*Upon notification by the DEQ Director that the Principal has been found in violation of the closure requirements of Chapter 10 of the Wyoming Hazardous Waste Management Rules and Regulations, for a facility for which this bond guarantees performance of closure, the Surety(ies) shall either perform closure in accordance with the closure plan and other permit requirements or place the closure amount guaranteed for the facility into the standby trust fund as directed by the DEQ Director.*

*Upon notification by the DEQ director that the Principal has been found in violation of the post-closure requirements of Chapter 10 of the Wyoming Hazardous Waste Management Rules and Regulations for a facility for which this bond guarantees performance of post-closure care, the Surety(ies) shall either perform post-closure care in accordance with the post-closure plan and other permit requirements or place the post-closure amount guaranteed for the facility into the standby trust fund as directed by the DEQ Director.*

*Upon notification by the DEQ Director that the Principal has failed to provide alternate financial assurance as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations, and obtain written approval of such assurance from the DEQ Director during the 90 days following receipt by both the Principal and the DEQ Director of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the facility(ies) into the standby trust fund as directed by the DEQ Director.*

*The surety(ies) hereby waive(s) notification of amendments to closure plans, permits, applicable laws, statutes, rules, and regulations and agrees that no such amendment shall in any way alleviate its (their) obligation on this bond.*

The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.

The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the owner or operator and to the DEQ Director provided, however that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal and the DEQ Director, as evidenced by the return receipts.

The principal may terminate this bond by sending written notice to the Surety(ies), provided, however, that no such notice shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the DEQ Director.

[The following paragraph is an OPTIONAL rider that may be included but is not required.]

Principal and Surety(ies) hereby agree to adjust the penal sum of the bond yearly so that it guarantees a new closure and/or post-closure amount, provided that the penal sum does not increase by more than twenty (20) percent in any one year, and no decrease in the penal sum takes place without the written permission of the DEQ Director.

In Witness Whereof, The Principal and Surety(ies) have executed this Performance Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording of this surety bond is identical to the wording specified in Chapter 5, Appendix A, Part IV of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulation was constituted on the date this bond was executed.

PRINCIPAL

[Signature(s)]

[Name(s)]

[Title(s)]

[Corporate seal]

CORPORATE SURETY(IES)

[Name and address]

State of incorporation:

Liability limit: \$



*[Signature(s)]*

*[Name(s) and title(s)]*

*[Corporate seal]*

*[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.]*

*Bond premium: \$\_\_\_\_\_*

Appendix A - Financial Assurance Instruments, continued:

Part V - Letter of Credit:

IRREVOCABLE STANDBY LETTER OF CREDIT

Director

Department of Environmental Quality

Dear Sir or Madam: We hereby establish our Irrevocable Standby Letter of Credit No. \_\_\_\_\_ in your favor, at the request and for the account of [owner's or operator's name and address] up to the aggregate amount of [in words] U.S. dollars \$ \_\_\_\_\_, available upon presentation [insert, if more than one Director is a beneficiary, "by any one of you"] of

(1) your sight draft, bearing reference to this letter of credit No. \_\_\_\_\_, and

(2) your signed statement reading as follows: "I certify that the amount of the draft is payable pursuant to regulations issued under authority of the Wyoming Environmental Quality Act."

This letter of credit is effective as of [date] and shall expire on [date at least 1 year later], but such expiration date shall be automatically extended for a period of [at least 1 year] on [date] and on each successive expiration date, unless, at least 120 days before the current expiration date, we notify both you and [owner's or operator's name] by certified mail that we have decided not to extend this letter of credit beyond the current expiration date. In the event you are so notified, any unused portion of the credit shall be available upon presentation of your sight draft for 120 days after the date of receipt by both you and [owner's or operator's name], as shown on the signed return receipts.

Whenever this letter of credit is drawn on under and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft directly into the standby trust fund of [owner's or operator's name] in accordance with your instructions.

We certify that the wording of this letter of credit is identical to the wording specified in Chapter 5, Appendix A, Part V of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date shown immediately below.

[Signature(s) and title(s) of official(s) of issuing institution]  
[Date]

This credit is subject to [insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits, published and copyrighted by the International Chamber of Commerce," or "the Uniform Commercial Code"].

[Name(s) and title(s)]

*[Corporate seal]*

*[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.]*

*Bond premium: \$*\_\_\_\_\_

Appendix A - Financial Assurance Instruments, continued:

Part VI - Certificate of Insurance:

*CERTIFICATE OF INSURANCE FOR CLOSURE OR POST-CLOSURE CARE*

*Name and Address of Insurer (herein called the "Insurer"):*

*Name and Address of Insured (herein called the "Insured"):*

*Facilities Covered: [List for each facility: The EPA Identification Number, name, address, and the amount of insurance for closure and/or the amount for post-closure care (these amounts for all facilities covered must total the face amount shown below).]*

*Face Amount:*

*Policy Number:*

*Effective Date:*

*The Insurer hereby certifies that it has issued to the Insured the policy of insurance identified above to provide financial assurance for [insert "closure" or "closure and post-closure care" or "post-closure care"] for the facilities identified above. The Insurer further warrants that such policy conforms in all respects with the requirements of Chapter 5, Section 1(d)(iv) and (v) of the Wyoming Hazardous Waste Management Rules and Regulations, as applicable and as such regulations were constituted on the date shown immediately below. It is agreed that any provision of the policy inconsistent with such regulations is hereby amended to eliminate such inconsistency.*

*Whenever requested by the Director of the Department of Environmental Quality, the Insurer agrees to furnish to the Director a duplicate original of the policy listed above, including all endorsements thereon.*

*I hereby certify that the wording of this certificate is identical to the wording specified in Chapter 5, Appendix A, Part VI of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date shown immediately below.*

*[Authorized signature for Insurer]*

*[Name of person signing]*

*[Title of person signing]*

*Signature of witness or notary:*

*[Date]*

Appendix A - Financial Assurance Instruments, continued:

Part VII - Letter From Chief Financial Officer for  
Closure and Post-Closure:

LETTER FROM CHIEF FINANCIAL OFFICER

[Address to Director of every Region in which facilities for which financial responsibility is to be demonstrated through the financial test are located.]

I am the chief financial officer of [name and address of firm]. This letter is in support of this firm's use of the financial test to demonstrate financial assurance for closure and/or post-closure costs, as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations.

[Fill out the following five paragraphs regarding facilities and associated cost estimates. If your firm has no facilities that belong in a particular paragraph, write "None" in the space indicated. For each facility, include its EPA Identification Number, name, address, and current closure and/or post-closure cost estimates. Identify each cost estimate as to whether it is for closure or post-closure care.]

1. This firm is the owner or operator of the following facilities for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:\_\_\_\_\_.

2. This firm guarantees, through the guarantee specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations, the closure or post-closure care of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility: \_\_\_\_\_.

The firm identified above is [insert 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].

3. In States where EPA is not administering the financial requirements of subpart H of [40 CFR part 264 or 265], this firm, as owner or operator or guarantor, is demonstrating financial assurance

for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in subpart H of [40 CFR parts 264 and 265]. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

\_\_\_\_\_.

4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:\_\_\_\_\_.

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under Part 144 of Code of Federal Regulations. The current closure cost estimates as required by [40 CFR 144.62] are shown for each facility:

\_\_\_\_\_.

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 firm 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].

[Fill in Alternative I if the criteria of Chapter 5, Section 1(d)(v)(A)(I) of the Wyoming Hazardous Waste Management Rules and Regulations are used. Fill in Alternative II if the criteria of Chapter 5, Section 1(d)(v)(A)(II) of the Wyoming Hazardous Waste Management Rules and Regulations are used.]

Alternative I

1. Sum of current closure and post-closure cost estimates [total of all cost estimates shown in the five paragraphs above]

\$ \_\_\_\_\_

\*2. Total liabilities [if any portion of the closure or post-closure cost estimates is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to lines 3 and 4]

\$ \_\_\_\_\_

\*3. Tangible net worth

\$ \_\_\_\_\_

\*4. Net worth

\$ \_\_\_\_\_

\*5. Current assets

\$ \_\_\_\_\_

\*6. Current liabilities

\$ \_\_\_\_\_

7. Net working capital [line 5 minus line 6]

\$ \_\_\_\_\_

\*8. The sum of net income plus depreciation,

\$ \_\_\_\_\_

depletion, and amortization

\*9. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.) \$ \_\_\_\_\_

	Yes	NO
10. Is line 3 at least \$10 million?	_____	_____
11. Is line 3 at least 6 times line 1?	_____	_____
12. Is line 7 at least 6 times line 1?	_____	_____
*13. Are at least 90% of firm's assets located in the U.S.? If not, complete line 14	_____	_____
14. Is line 9 at least 6 times line 1?	_____	_____
15. Is line 2 divided by line 4 less than 2.0?	_____	_____
16. Is line 8 divided by line 2 greater than 0.1?	_____	_____
17. Is line 5 divided by line 6 greater than 1.5?	_____	_____

Alternative II

1. Sum of current closure and post-closure cost estimates [total of all cost estimates shown in the four paragraphs above]

\$ \_\_\_\_\_

2. Current bond rating of most recent issuance of this firm and name of rating service

\$ \_\_\_\_\_

3. Date of issuance of bond.

\_\_\_\_\_

4. Date of maturity of bond.

\_\_\_\_\_

\*5. Tangible net worth [if any portion of the closure and post-closure cost estimates is included in "total liabilities" on your firm's financial statements, you may add the amount of that portion to this line]

\$ \_\_\_\_\_

\*6. Total assets in U.S. (required only if less than 90% of firm's assets are located in the U.S.)

\$ \_\_\_\_\_

	Yes	NO
7. Is line 5 at least \$10 million?	_____	_____
8. Is line 5 at least 6 times line 1?	_____	_____
*9. Are at least 90% of firm's assets located in the U.S.? If not, complete line 10.	_____	_____
10. Is line 6 at least 6 times line 1?	_____	_____

*I hereby certify that the wording of this letter is identical to the wording specified in Chapter 5, Appendix A, Part VII of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date shown immediately below.*

*[Signature]*

*[Name]*

*[Title]*

*[Date]*



Appendix A - Financial Assurance Instruments, continued:

Part VIII - Letter From Chief Financial Officer for Liability Insurance and/or Closure and Post-Closure Care:

LETTER FROM CHIEF FINANCIAL OFFICER

[Address to Director]

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 liability coverage [insert "and closure and/or post-closure care" if applicable] as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations.

[Fill out the following paragraphs regarding facilities and liability coverage. If there are no facilities that belong in a particular paragraph, write "None" 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 Chapter 5, Section: \_\_\_\_\_ of the Wyoming Hazardous Waste Management Rules and Regulations.

The firm identified above guarantees, through the guarantee specified in Chapter 5, Section 1, of the Wyoming Hazardous Waste Management Rules and Regulations, liability coverage for [insert "sudden" or "nonsudden" or "both sudden and nonsudden"] accidental occurrences at the following facilities owned or operated by the following: \_\_\_\_\_. The firm identified above is [insert 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.]

[If you are using the financial test to demonstrate coverage of both liability and closure and post-closure care, fill in the following four paragraphs regarding facilities and associated closure and post-closure cost estimates. If there are no facilities that belong in a particular paragraph, write "None" in the space indicated. For each facility, include its EPA Identification Number, name, address, and current closure and/or post-closure cost estimates. Identify each cost estimate as to whether it is for closure or post-closure care.]

1. The firm identified above owns or operates the

following facilities for which financial assurance for closure or post-closure care or liability coverage is demonstrated through the financial test specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:\_\_\_\_\_.

2. The firm identified above guarantees, through the guarantee specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations, the closure and post-closure care or liability coverage of the following facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:\_\_\_\_\_.

3. In States where EPA is not administering the financial requirements of subpart H of [40 CFR parts 264 and 265], this firm is demonstrating financial assurance for the closure or post-closure care 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 closure or post-closure cost estimates covered by such a test are shown for each facility: \_\_\_\_\_.

4. The firm identified above owns or operates the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanisms specified in subpart H of [40 CFR parts 264 and 265] or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility: \_\_\_\_\_.

5. This firm is the owner or operator or guarantor 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:  
\_\_\_\_\_.

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 firm 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].

[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 criteria of Chapter 5, Section 1(h)(vi)(A)(I) of the Wyoming Hazardous Waste Management Rules and

Regulations are used. Fill in Alternative II if the criteria of Chapter 5, Section 1(h)(vi)(A)(II) of the Wyoming Hazardous Waste Management Rules and Regulations are used.]

Alternative I

- |   |          |                 |
|---|----------|-----------------|
| 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. | \$ _____ |                 |
|   |          | Yes          NO |
| 7. Is line 5 at least \$10 million?   | _____    | _____           |
| 8. Is line 4 at least 6 times line 1?   | _____    | _____           |
| 9. Is line 5 at least 6 times line 1?   | _____    | _____           |
| *10. Are at least 90% of assets located in the U.S.? If not, complete line 11.  | _____    | _____           |
| 11. Is line 6 at least 6 times line 1?  | _____    | _____           |

Alternative II

- |  |          |                 |
|--|----------|-----------------|
| 1. Amount of annual aggregate liability.   | \$ _____ |                 |
| 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.). | \$ _____ |                 |
|  |          | Yes          NO |
| 7. Is line 5 at least \$10 million?  | _____    | _____           |
| 8. Is line 5 at least 6 times line 1?  | _____    | _____           |
| 9. Are at least 90% of assets located in the U.S.? If not, complete line 10.                 | _____    | _____           |
| 10. Is line 6 at least 6 times line 1?   | _____    | _____           |

[Fill in part B if you are using the financial test to demonstrate assurance of both liability coverage and closure or post-closure care.]

Part B. Closure or Post-Closure Care  
and Liability Coverage

[Fill in Alternative I if the criteria of Chapter 5, Section 1(d)(v)(A)(I) and Section 1(h)(vi)(A)(I) of the Wyoming Hazardous Waste Management Rules and Regulations are used. Fill in Alternative II if the criteria of Chapter 5, Section 1(d)(v)(A)(II) and Section 1(h)(vi)(A)(II) of the Wyoming Hazardous Waste Management Rules and Regulations are used.]

Alternative I

- |   |       |       |
|---|-------|-------|
| 1. Sum of current closure and post closure cost estimates (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 your closure or post-closure 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 assets are located in the U.S.)  | \$    | _____ |
|   | Yes   | NO    |
| 12. Is line 5 at least \$10 million?  | _____ | _____ |
| 13. Is line 5 at least 6 times line 3?  | _____ | _____ |
| 14. Is line 9 at least 6 times line 3?  | _____ | _____ |
| *15. Are at least 90% of assets located in the U.S.? If not, complete line 16.  | _____ | _____ |
| 16. Is line 11 at least 6 times line 3?   | _____ | _____ |
| 17. Is line 4 divided by line 6 less than 2.0?  | _____ | _____ |
| 18. Is line 10 divided by line 4 greater than 0.1?  | _____ | _____ |

19. Is line 7 divided by line 8 greater than 1.5? \_\_\_\_\_

Alternative II

1. Sum of current closure and post closure cost estimates (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. Current bond rating of most recent issuance and name of rating service. \$ \_\_\_\_\_

5. Date of issuance of bond. \_\_\_\_\_

6. Date of maturity of bond. \_\_\_\_\_

\*7. Tangible net worth (if any portion of the closure or post-closure cost estimates is included in total liabilities on your financial statements you may add that portion to this line). \$ \_\_\_\_\_

\*8. Total assets in the U.S. (required only if less than 90% of assets are located in the U.S.). \$ \_\_\_\_\_

Yes NO

9. Is line 7 at least \$10 million? \_\_\_\_\_

10. Is line 7 at least 6 times line 3? \_\_\_\_\_

\*11. Are at least 90% of assets located in the U.S.? If not, complete line 12. \_\_\_\_\_

12. Is line 8 at least 6 times line 3? \_\_\_\_\_

---

I hereby certify that the wording of this letter is identical to the wording specified in Chapter 5, Appendix A, Part VIII of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date shown immediately below.

[Signature] \_\_\_\_\_

[Name] \_\_\_\_\_

[Title] \_\_\_\_\_

[Date] \_\_\_\_\_

Appendix A - Financial Assurance Instruments, continued:  
Part IX - Corporate Guarantee for Closure or Post-Closure  
Care:

*CORPORATE GUARANTEE FOR CLOSURE OR POST-CLOSURE CARE*

Guarantee made this [date] by [name of guaranteeing entity], a business corporation organized under the laws of the State of [insert name of State], herein referred to as guarantor. This guarantee is made on behalf of the [owner or operator] of [business address], which is [one of the following: "our subsidiary"; "a subsidiary of [name and address of common parent corporation], of which guarantor is a subsidiary"; or "an entity with which guarantor has a substantial business relationship", as defined in Chapter 1, Section 1(f)(i) of the Wyoming Hazardous Waste Management Rules and Regulations to the Wyoming Department of Environmental Quality (DEQ)].

*Recitals*

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in Chapter 5, Section 1(d)(v) of the Wyoming Hazardous Waste Management Rules and Regulations.

2. [Owner or operator] owns or operates the following hazardous waste management facility(ies) covered by this guarantee: [List for each facility: EPA Identification Number, name, and address. Indicate for each whether guarantee is for closure, post-closure care, or both.]

3. "Closure plans" and "post-closure plans" as used below refer to the plans maintained as required by Chapter 10, Section 7, and Chapter 11, Section 9 of the Wyoming Hazardous Waste Management Rules and Regulations for the closure and post-closure care of facilities as identified above.

4. For value received from [owner or operator], guarantor guarantees to DEQ that in the event that [owner or operator] fails to perform [insert "closure," "post-closure care" or "closure and post-closure care"] of the above facility(ies) in accordance with the closure or post-closure plans and other permit or interim status requirements whenever required to do so, the guarantor shall do so or establish a trust fund as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations, as applicable, in the name of [owner or operator] in the amount of the current closure or post-closure cost estimates as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the DEQ Director and to [owner or

operator] that he intends to provide alternate financial assurance as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations, as applicable, in the name of [owner or operator]. Within 120 days after the end of such fiscal year, the guarantor shall establish such financial assurance unless [owner or operator] has done so.

6. The guarantor agrees to notify the DEQ Director by certified mail, of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within ten (10) days after commencement of the proceeding.

7. Guarantor agrees that within 30 days after being notified by the DEQ Director of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor of closure or post-closure care, he shall establish alternate financial assurance as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations, as applicable, in the name of [owner or operator] unless [owner or operator] has done so.

8. Guarantor agrees to remain bound under this guarantee notwithstanding any or all of the following: amendment or modification of the closure or post-closure plan, amendment or modification of the permit, the extension or reduction of the time of performance of closure or post-closure, or any other modification or alteration of an obligation of the owner or operator pursuant to Chapters 10 and 11 of the Wyoming Hazardous Waste Management Rules and Regulations.

9. Guarantor agrees to remain bound under this guarantee for so long as [owner or operator] must comply with the applicable financial assurance requirements of Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations for the above-listed facilities, except as provided in paragraph 10 of this agreement.

10. [Insert the following language if the guarantor is (a) direct or higher-tier corporate parent, or (b) a firm whose parent corporation is also the parent corporation of the owner or operator]:

Guarantor may terminate this guarantee by sending notice by certified mail to the Director(s) for the State(s) in which the facility(ies) is(are) located and to [owner or operator], provided that this guarantee may not be terminated unless and until [the owner or operator] obtains, and the Director(s) approve(s), alternate closure and/or post-closure care coverage complying with Chapter 5, Section 1(d) of the Wyoming Hazardous Waste Management Rules and Regulations.

[Insert the following language if the guarantor is a firm qualifying as a guarantor due to its "substantial business relationship" with its owner or operator]

Guarantor may terminate this guarantee 120 days following the receipt of notification, through certified mail, by the Director(s) for the State(s) in which the facility(ies) is(are)

located and by [the owner or operator].

11. Guarantor agrees that if [owner or operator] fails to provide alternate financial assurance as specified in Chapter 5, Section 1 of the Wyoming Hazardous Waste Management Rules and Regulations, as applicable, and obtain written approval of such assurance from the DEQ Director within 90 days after a notice of cancellation by the guarantor is received by the DEQ Director from guarantor, guarantor shall provide such alternate financial assurance in the name of [owner or operator].

12. Guarantor expressly waives notice of acceptance of this guarantee by the DEQ or by [owner or operator]. Guarantor also expressly waives notice of amendments or modifications of the closure and/or post-closure plan and of amendments or modifications of the facility permit(s).

I hereby certify that the wording of this guarantee is identical to the wording specified in Chapter 5, Appendix A, Part IX of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date first above written.

Effective date:

[Name of guarantor]

[Authorized signature for guarantor]

[Name of person signing]

[Title of person signing]

Signature of witness or notary:



Appendix A - Financial Assurance Instruments, continued:

Part X - Guarantee for Liability Coverage:

GUARANTEE FOR LIABILITY COVERAGE

Guarantee made this [date] by [name of guaranteeing entity], a business corporation organized under the laws of [if incorporated within the United States insert "the State of \_\_\_\_\_" and insert name of State; if incorporated outside the United States insert the name of the country in which incorporated, the principal place of business within the United States, and the name and address of the registered agent in the State of the principal place of business], herein referred to as guarantor. This guarantee is made on behalf of [owner or operator] of [business address], which is one of the following: "our subsidiary;" "a subsidiary of [name and address of common parent corporation], of which guarantor is a subsidiary;" or "an entity with which guarantor has a substantial business relationship, as defined in Chapter 1, Section 1(f) of the Wyoming Hazardous Waste Management Rules and Regulations, to any and all third parties who have sustained or may sustain bodily injury or property damage caused by [sudden and/or nonsudden] accidental occurrences arising from operation of the facility(ies) covered by this guarantee.

Recitals

1. Guarantor meets or exceeds the financial test criteria and agrees to comply with the reporting requirements for guarantors as specified in Chapter 5, Section 1(h)(vii) of the Wyoming Hazardous Waste Management Rules and Regulations.

2. [Owner or operator] owns or operates the following hazardous waste management facility(ies) covered by this guarantee: [List for each facility: EPA Identification Number, name, and address; and if guarantor is incorporated outside the United States list the name and address of the guarantor's registered agent in each State.] This corporate guarantee satisfies RCRA third-party liability requirements for [insert "sudden" or "nonsudden" or "both sudden and nonsudden"] accidental occurrences in above-named owner or operator facilities for coverage in the amount of [insert dollar amount] for each occurrence and [insert dollar amount] annual aggregate.

3. For value received from [owner or operator], guarantor guarantees to any and all third parties who have sustained or may sustain bodily injury or property damage caused by [sudden and/or nonsudden] accidental occurrences arising from operations of the facility(ies) covered by this guarantee that in the event that [owner or operator] fails to satisfy a judgment or award based on a determination of liability for bodily injury or property damage to third parties caused by [sudden and/or nonsudden] accidental occurrences, arising from the operation of the above-named facilities, or fails to pay an amount agreed to in settlement of a claim arising from or alleged to arise from such injury or damage,

the guarantor will satisfy such judgment(s), award(s) or settlement agreement(s) up to the limits of coverage identified above.

4. Such obligation does not apply to any of the following:

(a) Bodily injury or property damage for which [insert owner or operator] is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that [insert owner or operator] would be obligated to pay in the absence of the contract or agreement.

(b) Any obligation of [insert owner or operator] under a workers' compensation, disability benefits, or unemployment compensation law or any similar law.

(c) Bodily injury to:

(1) An employee of [insert owner or operator] arising from, and in the course of, employment by [insert owner or operator]; or

(2) The spouse, child, parent, brother or sister of that employee as a consequence of, or arising from, and in the course of employment by [insert owner or operator]. This exclusion applies:

(A) Whether [insert owner or operator] may be liable as an employer or in any other capacity; and

(B) To any obligation to share damages with or repay another person who must pay damages because of the injury to persons identified in paragraphs (1) and (2).

(d) Bodily injury or property damage arising out of the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle or watercraft.

(e) Property damage to:

(1) Any property owned, rented, or occupied by [insert owner or operator];

(2) Premises that are sold, given away or abandoned by [insert owner or operator] if the property damage arises out of any part of those premises;

(3) Property loaned to [insert owner or operator];

(4) Personal property in the care, custody or control of [insert owner or operator];

(5) That particular part of real property on which [insert owner or operator] or any contractors or subcontractors working directly or indirectly on behalf of [insert owner or operator] are performing operations, if the property damage arises out of these operations.

5. Guarantor agrees that if, at the end of any fiscal year before termination of this guarantee, the guarantor fails to meet the financial test criteria, guarantor shall send within 90 days, by certified mail, notice to the DEQ Director and to [owner or operator] that he intends to provide alternate liability coverage as specified in Chapter 5, Section 1(h) of the Wyoming Hazardous Waste Management Rules and Regulations, as applicable, in the name of [owner or operator]. Within 120 days after the end of such fiscal year, the guarantor shall establish such liability coverage unless [owner or operator] has done so.

6. The guarantor agrees to notify the DEQ Director by certified mail of a voluntary or involuntary proceeding under Title 11 (Bankruptcy), U.S. Code, naming guarantor as debtor, within 10 days after commencement of the proceeding.

7. Guarantor agrees that within 30 days after being notified by the DEQ Director of a determination that guarantor no longer meets the financial test criteria or that he is disallowed from continuing as a guarantor, he shall establish alternate liability coverage as specified in Chapter 5, Section 1(h) of the Wyoming Hazardous Waste Management Rules and Regulations in the name of [owner or operator], unless [owner or operator] has done so.

8. Guarantor reserves the right to modify this agreement to take into account amendment or modification of the liability requirements set by Chapter 5, Section 1(h) of the Wyoming Hazardous Waste Management Rules and Regulations, provided that such modification shall become effective only if a Director does not disapprove the modification within 30 days of receipt of notification of the modification.

9. Guarantor agrees to remain bound under this guarantee for so long as [owner or operator] must comply with the applicable requirements of Chapter 5, Section 1(h) of the Wyoming Hazardous Waste Management Rules and Regulations for the above-listed facility(ies), except as provided in paragraph 10 of this agreement.

10. [Insert the following language if the guarantor is (a) direct or higher-tier corporate parent, or (b) a firm whose parent corporation is also the parent corporation of the owner or operator]:

Guarantor may terminate this guarantee by sending notice by certified mail to the DEQ Director and to [owner or operator], provided that this guarantee may not be terminated unless and until [the owner or operator] obtains, and the DEQ Director approves, alternate liability coverage complying with Chapter 5, Section 1(h) of the Wyoming Hazardous Waste Management Rules and Regulations.

[Insert the following language if the guarantor is a firm qualifying as a guarantor due to its "substantial business relationship" with the owner or operator]:

Guarantor may terminate this guarantee 120 days following receipt of notification, through certified mail, by the Director and by [the owner or operator].

11. Guarantor hereby expressly waives notice of acceptance of this guarantee by any party.

12. Guarantor agrees that this guarantee is in addition to and does not affect any other responsibility or liability of the guarantor with respect to the covered facilities.

13. The Guarantor shall satisfy a third-party liability claim only on receipt of one of the following documents:

(a) Certification from the Principal and the third-party claimant(s) that the liability claim should be paid. The certification must be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

Certification of Valid Claim

The undersigned, as parties [insert Principal] and [insert name and address of third-party claimant(s)], hereby certify that the claim of bodily injury and/or property damage caused by a [sudden or nonsudden] accidental occurrence arising from operating [Principal's] hazardous waste treatment, storage, or disposal facility should be paid in the amount of \$ \_\_\_\_\_.

[Signatures]  
Principal

(Notary)            Date

[Signatures]  
Claimant(s)

(Notary)            Date

(b) A valid final court order establishing a judgment against the Principal for bodily injury or property damage caused by sudden or nonsudden accidental occurrences arising from the operation of the Principal's facility or group of facilities.

14. In the event of combination of this guarantee with another mechanism to meet liability requirements, this guarantee will be considered [insert "primary" or "excess"] coverage.

I hereby certify that the wording of this guarantee is identical to the wording specified in Chapter 5, Appendix A, Part X of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date shown immediately below.

Effective date:

[Name of guarantor]

[Authorized signature for guarantor]

[Name of person signing]

[Title of person signing]

*Signature of witness or notary:*

Appendix A - Financial Assurance Instruments, continued:

Part XI - Hazardous Waste Facility Liability Endorsement:

HAZARDOUS WASTE FACILITY LIABILITY ENDORSEMENT

1. This endorsement certifies that the policy to which the endorsement is attached provides liability insurance covering bodily injury and property damage in connection with the insured's obligation to demonstrate financial responsibility under Chapter 5, Section 1(h) of the Wyoming Hazardous Waste Management Rules and Regulations. The coverage applies at [list EPA Identification Number, name, and address for each facility] for [insert "sudden accidental occurrences," "nonsudden accidental occurrences," or "sudden and nonsudden accidental occurrences"; if coverage is for multiple facilities and the coverage is different for different facilities, indicate which facilities are insured for sudden accidental occurrences, which are insured for nonsudden accidental occurrences, and which are insured for both]. The limits of liability are [insert the dollar amount of the "each occurrence" and "annual aggregate" limits of the Insurer's liability], exclusive of legal defense costs.

2. The insurance afforded with respect to such occurrences is subject to all of the terms and conditions of the policy; provided, however, that any provisions of the policy inconsistent with subsections (a) through (e) of this Paragraph 2 are hereby amended to conform with subsections (a) through (e):

(a) Bankruptcy or insolvency of the insured shall not relieve the Insurer of its obligations under the policy to which this endorsement is attached.

(b) The Insurer is liable for the payment of amounts within any deductible applicable to the policy, with a right of reimbursement by the insured for any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated as specified in Chapter 5, Section 1(h)(vi) of the Wyoming Hazardous Waste Management Rules and Regulations.

(c) Whenever requested by the DEQ Director, the Insurer agrees to furnish to the Director a signed duplicate original of the policy and all endorsements.

(d) Cancellation of this endorsement, whether by the Insurer, the insured, a parent corporation providing insurance coverage for its subsidiary, or by a firm having an insurable interest in and obtaining liability insurance on behalf of the owner or operator of the hazardous waste management facility, will be effective only upon written notice and only after the expiration of 60 days after a copy of such written notice is received by the DEQ Director.

(e) Any other termination of this endorsement will be

effective only upon written notice and only after the expiration of 30 days after a copy of such written notice is received by the DEQ Director.

Attached to and forming part of policy No. \_\_\_\_\_ issued by [name of Insurer], herein called the Insurer, of [address of Insurer] to [name of insured] of [address] this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_. The effective date of said policy is \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

I hereby certify that the wording of this endorsement is identical to the wording specified in Chapter 5, Appendix A, Part XI of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulation was constituted on the date first above written, and that the Insurer is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in one or more States.

[Signature of Authorized Representative of Insurer]

[Type name]

[Title], Authorized Representative of [name of Insurer]

[Address of Representative]

Appendix A - Financial Assurance Instruments, continued:

Part XII - Hazardous Waste Facility Certificate of  
Liability Insurance:

HAZARDOUS WASTE FACILITY CERTIFICATE OF LIABILITY INSURANCE

1. [Name of Insurer], (the "Insurer"), of [address of Insurer] hereby certifies that it has issued liability insurance covering bodily injury and property damage to [name of insured], (the "insured"), of [address of insured] in connection with the insured's obligation to demonstrate financial responsibility under Chapter 5 Section 1(h) of the Wyoming Hazardous Waste Management Rules and Regulations. The coverage applies at [list EPA Identification Number, name, and address for each facility] for [insert "sudden accidental occurrences," "nonsudden accidental occurrences," or "sudden and nonsudden accidental occurrences"; if coverage is for multiple facilities and the coverage is different for different facilities, indicate which facilities are insured for sudden accidental occurrences, which are insured for nonsudden accidental occurrences, and which are insured for both]. The limits of liability are [insert the dollar amount of the "each occurrence" and "annual aggregate" limits of the Insurer's liability], exclusive of legal defense costs. The coverage is provided under policy number \_\_\_\_\_, issued on [date]. The effective date of said policy is [date].

2. The Insurer further certifies the following with respect to the insurance described in Paragraph 1:

(a) Bankruptcy or insolvency of the insured shall not relieve the Insurer of its obligations under the policy.

(b) The Insurer is liable for the payment of amounts within any deductible applicable to the policy, with a right of reimbursement by the insured for any such payment made by the Insurer. This provision does not apply with respect to that amount of any deductible for which coverage is demonstrated as specified in Chapter 5, Section 1(h)(vi) of the Wyoming Hazardous Waste Management Rules and Regulations.

(c) Whenever requested by the DEQ Director, the Insurer agrees to furnish to the DEQ Director a signed duplicate original of the policy and all endorsements.

(d) Cancellation of the insurance, whether by the Insurer, the insured, a parent corporation providing insurance coverage for its subsidiary, or by a firm having an insurable interest in and obtaining liability insurance on behalf of the owner or operator of the hazardous waste management facility, will be effective only upon written notice and only after the expiration of 60 days after a copy of such written notice is received by the DEQ Director.

(e) Any other termination of the insurance will be effective only upon written notice and only after the expiration of



30 days after a copy of such written notice is received by the DEQ Director.

I hereby certify that the wording of this instrument is identical to the wording specified in Chapter 5, Appendix A, Part XII of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulation was constituted on the date first above written, and that the Insurer is licensed to transact the business of insurance, or eligible to provide insurance as an excess or surplus lines insurer, in the State of Wyoming.

[Signature of authorized representative of Insurer]

[Type name]

[Title], Authorized Representative of [name of Insurer]

[Address of Representative]

Appendix A - Financial Assurance Instruments, continued:

Part XIII - Letter of Credit:

IRREVOCABLE STANDBY LETTER OF CREDIT

Name and Address of Issuing Institution

Director

Department of Environmental Quality

Dear Sir or Madam: We hereby establish our Irrevocable Standby Letter of Credit No. \_\_\_\_\_ in the favor of ["any and all third-party liability claimants" or insert name of trustee of the standby trust fund], at the request and for the account of [owner's or operator's name and address] for third-party liability awards or settlements up to [in words] U.S. dollars \$ \_\_\_\_\_ per occurrence and the annual aggregate amount of [in words] U.S. dollars \$ \_\_\_\_\_, for sudden accidental occurrences and/or for third-party liability awards or settlements up to the amount of [in words] U.S. dollars \$ \_\_\_\_\_ per occurrence, and the annual aggregate amount of [in words] U.S. dollars \$ \_\_\_\_\_, for nonsudden accidental occurrences available upon presentation of a sight draft bearing reference to this letter of credit No. \_\_\_\_\_, and **either** [insert the following language if the letter of credit is being used without a standby trust fund:]

"(1) a signed certificate reading as follows:

Certification of Valid Claim

The undersigned, as parties [insert principal] and [insert name and address of third-party claimant(s)], hereby certify that the claim of bodily injury and/or property damage caused by a [sudden or nonsudden] accidental occurrence arising from operations of [principal's] hazardous waste treatment, storage, or disposal facility should be paid in the amount of \$ \_\_\_\_\_. We hereby certify that the claim does not apply to any of the following:

(a) Bodily injury or property damage for which [insert principal] is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that [insert principal] would be obligated to pay in the absence of the contract or agreement.

(b) Any obligation of [insert principal] under a workers' compensation, disability benefits, or unemployment compensation law or any similar law.

(c) Bodily injury to:

(1) An employee of [insert principal] arising from, and in the course of, employment by [insert principal]; or

(2) The spouse, child, parent, brother or sister of that employee as a consequence of, or arising from, and in the course of employment by [insert principal].

This exclusion applies:

(A) Whether [insert principal] may be liable as an employer or in any other capacity; and

(B) To any obligation to share damages with or repay another person who must pay damages because of the injury to persons identified in paragraphs (1) and (2).

(d) Bodily injury or property damage arising out of the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle or watercraft.

(e) Property damage to:

(1) Any property owned, rented, or occupied by [insert principal];

(2) Premises that are sold, given away or abandoned by [insert principal] if the property damage arises out of any part of those premises;

(3) Property loaned to [insert principal];

(4) Personal property in the care, custody or control of [insert principal];

(5) That particular part of real property on which [insert principal] or any contractors or subcontractors working directly or indirectly on behalf of [insert principal] are performing operations, if the property damage arises out of these operations.

[Signatures]

Principal

[Signatures]

Claimant(s), **or**

(2) a valid final court order establishing a judgment against the Guarantor for bodily injury or property damage caused by sudden or nonsudden accidental occurrence arising from operation of the Guarantor's facility or group of facilities.

This letter of credit is effective as of [date] and shall expire on [date at least one year later], but such expiration date shall be automatically extended for a period of [at least one year] on [date] and on each successive expiration date, unless, at least 120 days before the current expiration date, we notify you, the DEQ Director, and [owner's or operator's name] by certified mail that we have decided not to extend this letter of credit beyond the current expiration date.

Whenever this letter of credit is drawn on under and in

compliance with the terms of this credit, we shall duly honor such draft upon presentation to us.

[Insert the following language if a standby trust fund is not being used:

"In the event that this letter of credit is used in combination with another mechanism for liability coverage, this letter of credit shall be considered [insert "primary" or "excess" coverage]."

We certify that the wording of this letter of credit is identical to the wording specified in Chapter 5, Appendix A, Part XIII of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date shown immediately below.

[Signature(s) and title(s) of official(s) of issuing institution]

[Date]

This credit is subject to [insert "the most recent edition of the Uniform Customs and Practice for Documentary Credits published by the International Chamber of Commerce" or "the Uniform Commercial Code"].

Appendix A - Financial Assurance Instruments, continued:

Part XIV - Payment Bond:

PAYMENT BOND

Surety Bond No. [Insert number]

Parties [Insert name and address of owner or operator], Principal, incorporated in [Insert State of incorporation] of [Insert city and State of principal place of business] and [Insert name and address of surety company(ies)], Surety Company(ies), of [Insert surety(ies) place of business].

EPA Identification Number, name, and address for each facility guaranteed by this bond: \_\_\_\_\_

	Sudden accidental occurrences	Nonsudden accidental occurrences
Penal Sum Per Occurrence	[insert amount]	[insert amount]
Annual Aggregate	[insert amount]	[insert amount]

Purpose: This is an agreement between the Surety(ies) and the Principal under which the Surety(ies), its(their) successors and assignees, agree to be responsible for the payment of claims against the Principal for bodily injury and/or property damage to third parties caused by ["sudden" and/or "nonsudden"] accidental occurrences arising from operations of the facility or group of facilities in the sums prescribed herein; subject to the governing provisions and the following conditions.

Governing Provisions:

(1) Section 3004 of the Resource Conservation and Recovery Act of 1976, as amended.

(2) Rules and regulations of the U.S. Environmental Protection Agency (EPA), particularly [40 CFR ["' 264.147" or "'265.147"']] (if applicable).

(3) Rules and regulations of the Wyoming Department of Environmental Quality, particularly Chapter 5, Section 1(h) of the Wyoming Hazardous Waste Management Rules and Regulations (if applicable).

Conditions:

(1) The Principal is subject to the applicable governing provisions that require the Principal to have and maintain liability coverage for bodily injury and property damage to third parties

caused by ["sudden" and/or "nonsudden"] accidental occurrences arising from operations of the facility or group of facilities. Such obligation does not apply to any of the following:

(a) Bodily injury or property damage for which [insert principal] is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that [insert principal] would be obligated to pay in the absence of the contract or agreement.

(b) Any obligation of [insert principal] under a workers' compensation, disability benefits, or unemployment compensation law or similar law.

(c) Bodily injury to:

(1) An employee of [insert principal] arising from, and in the course of, employment by [insert principal]; or

(2) The spouse, child, parent, brother or sister of that employee as a consequence of, or arising from, and in the course of employment by [insert principal]. This exclusion applies:

(A) Whether [insert principal] may be liable as an employer or in any other capacity; and

(B) To any obligation to share damages with or repay another person who must pay damages because of the injury to persons identified in paragraphs (1) and (2).

(d) Bodily injury or property damage arising out of the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle or watercraft.

(e) Property damage to:

(1) Any property owned, rented, or occupied by [insert principal];

(2) Premises that are sold, given away or abandoned by [insert principal] if the property damage arises out of any part of those premises;

(3) Property loaned to [insert principal];

(4) Personal property in the care, custody or control of [insert principal];

(5) That particular part of real property on which [insert principal] or any contractors or subcontractors working directly or indirectly on behalf of [insert principal] are performing operations, if the property damage arises out of these operations.

(2) This bond assures that the Principal will satisfy valid third party liability claims, as described in condition 1.

(3) If the Principal fails to satisfy a valid third party liability claim, as described above, the Surety(ies) becomes liable on this bond obligation.

(4) The Surety(ies) shall satisfy a third party liability claim only upon the receipt of one of the following documents:

(a) **Either:** Certification from the Principal and the third party claimant(s) that the liability claim should be paid. The certification must be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

Certification of Valid Claim

The undersigned, as parties [insert name of Principal] and [insert name and address of third party claimant(s)], hereby certify that the claim of bodily injury and/or property damage caused by a [sudden or nonsudden] accidental occurrence arising from operating [Principal's] hazardous waste treatment, storage, or disposal facility should be paid in the amount of \$ [ ].

[Signature]

Principal

[Notary] Date

[Signature(s)]

Claimant(s)

[Notary] Date, **or**

(b) A valid final court order establishing a judgment against the Principal for bodily injury or property damage caused by sudden or nonsudden accidental occurrences arising from the operation of the Principal's facility or group of facilities.

(5) In the event of combination of this bond with another mechanism for liability coverage, this bond will be considered [insert "primary" or "excess"] coverage.

(6) The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond. In no event shall the obligation of the Surety(ies) hereunder exceed the amount of said annual aggregate penal sum, provided that the Surety(ies) furnish(es) notice to the DEQ Director forthwith of all claims filed and payments made by the Surety(ies) under this bond.

(7) The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and the DEQ Director, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and the Director, as evidenced by the return receipt.

(8) The Principal may terminate this bond by sending written notice to the Surety(ies) and to the DEQ Director.

(9) The Surety(ies) hereby waive(s) notification of amendments to applicable laws, statutes, rules and regulations and agree(s) that no such amendment shall in any way alleviate its (their) obligation on this bond.

(10) This bond is effective from [insert date] (12:01 a.m., standard time, at the address of the Principal as stated herein) and shall continue in force until terminated as described above.

In Witness Whereof, the Principal and Surety(ies) have executed this Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording of this surety bond is identical to the wording specified in Chapter 5, Appendix A, Part XIV of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date this bond was executed.

PRINCIPAL

[Signature(s)]

[Name(s)]

[Title(s)]

[Corporate Seal]

CORPORATE SURETY(IES)

[Name and address]

State of incorporation:

Liability Limit: \$ \_\_\_\_\_

[Signature(s)]

[Name(s) and title(s)]

[Corporate seal]

[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.]

Bond premium: \$ \_\_\_\_\_



Appendix A - Financial Assurance Instruments, continued:

Part XV - Trust Agreement for Liability Coverage:

*TRUST AGREEMENT*

Trust Agreement, the "Agreement," entered into as of [date] by and between [name of the owner or operator] a [name of State] [insert "corporation," "partnership," "association," or "proprietorship"], the "Guarantor," and [name of corporate trustee], [insert, "incorporated in the State of \_\_\_\_\_" or "a national bank"], the "trustee."

Whereas, the Department of Environmental Quality, "DEQ", an agency of the State of Wyoming, has established certain regulations applicable to the Guarantor, requiring that an owner or operator of a hazardous waste management facility or group of facilities must demonstrate financial responsibility for bodily injury and property damage to third parties caused by sudden accidental and/or nonsudden accidental occurrences arising from operations of the facility or group of facilities.

Whereas, the Guarantor has elected to establish a trust to assure all or part of such financial responsibility for the facilities identified herein.

Whereas, the Guarantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee.

Now, therefore, the Guarantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

(a) The term "Guarantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Guarantor.

(b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.

Section 2. Identification of Facilities. This agreement pertains to the facilities identified on attached schedule A [on schedule A, for each facility list the EPA Identification Number, name, and address of the facility(ies) and the amount of liability coverage, or portions thereof, if more than one instrument affords combined coverage as demonstrated by this Agreement].

Section 3. Establishment of Fund. The Guarantor and the Trustee hereby establish a trust fund, hereinafter the "Fund," for the benefit of any and all third parties injured or damaged by [sudden and/or nonsudden] accidental occurrences arising from operation of the facility(ies) covered by this guarantee, in the amounts of \_\_\_\_\_ [up to \$1 million] per occurrence and \_\_\_\_\_ [up to \$2 million] annual aggregate for sudden accidental occurrences and

\_\_\_\_\_ [up to \$3 million] per occurrence and \_\_\_\_\_  
[up to \$6 million] annual aggregate for nonsudden occurrences,  
except that the Fund is not established for the benefit of third  
parties for the following:

(a) Bodily injury or property damage for which [insert  
Guarantor] is obligated to pay damages by reason of the assumption  
of liability in a contract or agreement. This exclusion does not  
apply to liability for damages that [insert Guarantor] would be  
obligated to pay in the absence of the contract or agreement.

(b) Any obligation of [insert Guarantor] under a workers'  
compensation, disability benefits, or unemployment compensation law  
or any similar law.

(c) Bodily injury to:

(1) An employee of [insert Guarantor] arising from, and  
in the course of, employment by [insert Guarantor]; or

(2) The spouse, child, parent, brother or sister of that  
employee as a consequence of, or arising from, and in the course of  
employment by [insert Guarantor].

This exclusion applies:

(A) Whether [insert Guarantor] may be liable as an  
employer or in any other capacity; and

(B) To any obligation to share damages with or repay  
another person who must pay damages because of the injury to persons  
identified in paragraphs (1) and (2).

(d) Bodily injury or property damage arising out of the  
ownership, maintenance, use, or entrustment to others of any  
aircraft, motor vehicle or watercraft.

(e) Property damage to:

(1) Any property owned, rented, or occupied by [insert  
Guarantor];

(2) Premises that are sold, given away or abandoned by  
[insert Guarantor] if the property damage arises out of any part of  
those premises;

(3) Property loaned to [insert Guarantor];

(4) Personal property in the care, custody or control of  
[insert Guarantor];

(5) That particular part of real property on which  
[insert Guarantor] or any contractors or subcontractors working  
directly or indirectly on behalf of [insert Guarantor] are  
performing operations, if the property damage arises out of these  
operations.

In the event of combination with another mechanism for

liability coverage, the fund shall be considered [insert "primary" or "excess"] coverage.

The Fund is established initially as consisting of the property, which is acceptable to the Trustee, described in Schedule B attached hereto. Such property and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Guarantor, any payments necessary to discharge any liabilities of the Guarantor established by DEQ.

Section 4. Payment for Bodily Injury or Property Damage. The Trustee shall satisfy a third party liability claim by making payments from the Fund only upon receipt of one of the following documents;

(a) **Either:** Certification from the Guarantor and the third party claimant(s) that the liability claim should be paid. The certification must be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

Certification of Valid Claim

The undersigned, as parties [insert Guarantor] and [insert name and address of third party claimant(s)], hereby certify that the claim of bodily injury and/or property damage caused by a [sudden or nonsudden] accidental occurrence arising from operating [Guarantor's] hazardous waste treatment, storage, or disposal facility should be paid in the amount of \$[ ].

[Signatures]

Guarantor

[Signatures]

Claimant(s), **or**

(b) A valid final court order establishing a judgment against the Guarantor for bodily injury or property damage caused by sudden or nonsudden accidental occurrences arising from the operation of the Guarantor's facility or group of facilities.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income, in accordance with general investment policies and guidelines which the Guarantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his/her duties with respect to the trust fund solely

in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstance then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; EXCEPT THAT:

(i) Securities or other obligations of the Guarantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a), shall not be acquired or HELD unless they are securities or other obligations of the Federal or a State government;

(ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or State government; and

(iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. Commingling and Investment. The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common commingled, or collective trust fund created by the Trustee in which the fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 81a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. Express Powers of Trustee. Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even

though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depositary with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Guarantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 10. Annual Valuations. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund; furnish to the Guarantor and to the DEQ Director a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the Fund. The failure of the Guarantor to object in writing to the Trustee within 90 days after the statement has been furnished to the Guarantor and the DEQ Director shall constitute a conclusively binding assent by the Guarantor barring the Guarantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 11. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Guarantor with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 12. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Guarantor.

Section 13. Successor Trustee. The Trustee may resign or the Guarantor may replace the Trustee, but such resignation or replacement shall not be effective until the Guarantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment, the Trustee shall assign, transfer,

and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Guarantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Guarantor, the Director, and the present Trustee by certified mail ten (10) days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 14. *Instructions to the Trustee.* All orders, requests, and instructions by the Guarantor to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Guarantor may designate by amendments to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Guarantor's orders, requests, and instructions. All orders, requests, and instructions by the DEQ Director to the Trustee shall be in writing, signed by the Director, or his designees, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Guarantor or DEQ hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Guarantor and/or DEQ, except as provided for herein.

Section 15. *Notice of Nonpayment.* If a payment for bodily injury or property damage is made under Section 4 of this trust, the Trustee shall notify the Guarantor of such payment and the amount(s) thereof within five (5) working days. The Guarantor shall, on or before the anniversary date of the establishment of the Fund following such notice, either make payments to the Trustee in amounts sufficient to cause the trust to return to its value immediately prior to the payment of claims under Section 4, or shall provide written proof to the Trustee that other financial assurance for liability coverage has been obtained equalling the amount necessary to return the trust to its value prior to the payment of claims. If the Guarantor does not either make payments to the Trustee or provide the Trustee with such proof, the Trustee shall within ten (10) working days after the anniversary date of the establishment of the Fund provide a written notice of nonpayment to the DEQ Director.

Section 16. *Amendment of Agreement.* This Agreement may be amended by an instrument in writing executed by the Guarantor, the Trustee, and the DEQ Director, or by the Trustee and the DEQ Director if the Guarantor ceases to exist.

Section 17. *Irrevocability and Termination.* Subject to the right of the parties to amend this Agreement as provided in Section 16, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Guarantor, the Trustee, and the DEQ Director, or by the Trustee and the DEQ Director, if the Guarantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be

delivered to the Guarantor.

The DEQ Director will agree to termination of the Trust when the owner or operator substitutes alternate financial assurance as specified in this Section.

Section 18. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Guarantor or the DEQ Director issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Guarantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Guarantor fails to provide such defense.

Section 19. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the State of Wyoming.

Section 20. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written. The parties below certify that the wording of this Agreement is identical to the wording specified in Chapter 5, Appendix A, Part XV of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date first above written.

[Signature of Grantor]  
[Title]

Attest:

[Title]

[Seal]

[Signature of Trustee]

Attest:

[Title]

[Seal]

Appendix A - Financial Assurance Instruments, continued:

Part XVI - Example Certification of Acknowledgement for a  
Trust Agreement:

*CERTIFICATION*

*State of*

*County of*

*On this [date], before me personally came [owner or operator] to me known, who, being by me duly sworn, did depose and say that she/he resides at [address], that she/he is [title] of [corporation], the corporation described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.*

*[Signature of Notary Public]*



Appendix A - Financial Assurance Instruments, continued:

Part XVII - Standby Trust Agreement

*Standby Trust Agreement*

*Trust Agreement, the "Agreement," entered into as of [date] by and between [name of the owner or operator] a [name of a State] [insert "corporation," "partnership," "association," or "proprietorship"], the "Guarantor," and [name of corporate trustee], [insert, "incorporated in the State of \_\_\_\_\_ " or "a national bank"], the "trustee."*

*Whereas the Department of Environmental Quality "DEQ," an agency of the State of Wyoming, has established certain regulations applicable to the Guarantor, requiring that an owner or operator of a hazardous waste management facility or group of facilities must demonstrate financial responsibility for bodily injury and property damage to third parties caused by sudden accidental and/or nonsudden accidental occurrences arising from operations of the facility or group of facilities.*

*Whereas, the Guarantor has elected to establish a standby trust into which the proceeds from a letter of credit may be deposited to assure all or part of such financial responsibility for the facilities identified herein.*

*Whereas, the Guarantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee.*

*Now, therefore, the Guarantor and the Trustee agree as follows:*

*Section 1. Definitions. As used in this Agreement:*

*(a) The term "Guarantor" means the owner or operator who enters into this Agreement and any successors or assigns of the Guarantor.*

*(b) The term "Trustee" means the Trustee who enters into this Agreement and any successor Trustee.*

*Section 2. Identification of Facilities. This agreement pertains to the facilities identified on attached schedule A [on schedule A, for each facility list the EPA Identification Number, name, and address of the facility(ies) and the amount of liability coverage, or portions thereof, if more than one instrument affords combined coverage as demonstrated by this Agreement].*

*Section 3. Establishment of Fund. The Guarantor and the Trustee hereby establish a standby trust fund, hereafter the "Fund," for the benefit of any and all third parties injured or damaged by [sudden and/or nonsudden] accidental occurrences arising from operation of the facility(ies) covered by this guarantee, in the amounts of \_\_\_\_\_ [up to \$1 million] per occurrence and \_\_\_\_\_ [up to \$2 million]*

annual aggregate for sudden accidental occurrences and \_\_\_\_\_ [up to \$3 million] per occurrence and \_\_\_\_\_ [up to \$6 million] annual aggregate for nonsudden occurrences, except that the Fund is not established for the benefit of third parties for the following:

(a) Bodily injury or property damage for which [insert Guarantor] is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that [insert Guarantor] would be obligated to pay in the absence of the contract or agreement.

(b) Any obligation of [insert Guarantor] under a workers' compensation, disability benefits, or unemployment compensation law or any similar law.

(c) Bodily injury to:

(1) An employee or [insert Guarantor] arising from, and in the course of, employment by [insert Guarantor]; or

(2) The spouse, child, parent, brother or sister of that employee as a consequence of, or arising from, and in the course of employment by [insert Guarantor].

This exclusion applies:

(A) Whether [insert Guarantor] may be liable as an employer or in any other capacity; and

(B) To any obligation to share damages with or repay another person who must pay damages because of the injury to persons identified in paragraphs (1) and (2).

(d) Bodily injury or property damage arising out of the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle or watercraft.

(e) Property damage to:

(1) Any property owned, rented, or occupied by [insert Guarantor];

(2) Premises that are sold, given away or abandoned by [insert Guarantor] if the property damage arises out of any part of those premises;

(3) Property loaned to [insert Guarantor];

(4) Personal property in the care, custody or control of [insert Guarantor];

(5) That particular part of real property on which [insert Guarantor] or any contractors or subcontractors working directly or indirectly on behalf of [insert Guarantor] are performing operations, if the property damage arises out of these operations.

In the event of combination with another mechanism for

liability coverage, the fund shall be considered [insert "primary" or "excess"] coverage.

The Fund is established initially as consisting of the proceeds of the letter of credit deposited into the Fund. Such proceeds and any other property subsequently transferred to the Trustee is referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST, as hereinafter provided. The Trustee shall not be responsible nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Guarantor, any payments necessary to discharge any liabilities of the Guarantor established by DEQ.

Section 4. Payment for Bodily Injury or Property Damage. The Trustee shall satisfy a third party liability claim by drawing on the letter of credit described in Schedule B and by making payments from the Fund only upon receipt of one of the following documents:

(a) **Either:** certification from the Guarantor and the third party claimant(s) that the liability claim should be paid. The certification must be worded as follows, except that instructions in brackets are to be replaced with the relevant information and the brackets deleted:

Certification of Valid Claim

The undersigned, as parties [insert Guarantor] and [insert name and address of third party claimant(s)], hereby certify that the claim of bodily injury and/or property damage caused by a [sudden or nonsudden] accidental occurrence arising from operating [Guarantor's] hazardous waste treatment, storage, or disposal facility should be paid in the amount of \$[ ].

[Signature] \_\_\_\_\_

Guarantor \_\_\_\_\_

[Signatures] \_\_\_\_\_

Claimant(s) \_\_\_\_\_, **or**

(b) A valid final court order establishing a judgment against the Guarantor for bodily injury or property damage caused by sudden or nonsudden accidental occurrences arising from the operation of the Guarantor's facility or group of facilities.

Section 5. Payments Comprising the Fund. Payments made to the Trustee for the Fund shall consist of the proceeds from the letter of credit drawn upon by the Trustee in accordance with the requirements of Chapter 5, Section 1(1)(xiii) of the Wyoming Hazardous Waste Management Rules and Regulations and Section 4 of this Agreement.

Section 6. Trustee Management. The Trustee shall invest and reinvest the principal and income, in accordance with general investment policies and guidelines which the Guarantor may communicate in

writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge his duties with respect to the trust fund solely in the interest of the beneficiary and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims;  
EXCEPT THAT:

(i) Securities or other obligations of the Guarantor, or any other owner or operator of the facilities, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2(a), shall not be acquired or held, unless they are securities or other obligations of the Federal or a State government;

(ii) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or a State government; and

(iii) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 7. *Commingling and Investment.* The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq., including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 8. *Express Powers of Trustee.* Without in any way limiting the powers and discretions conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer

form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve Bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 9. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Guarantor, and all other proper charges and disbursements to the Trustee shall be paid from the Fund.

Section 10. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Guarantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 11. Trustee Compensation. The Trustee shall be entitled to reasonable compensation for its services as agreed upon in writing from time to time with the Guarantor.

Section 12. Successor Trustee. The Trustee may resign or the Guarantor may replace the Trustee, but such resignation or replacement shall not be effective until the Guarantor has appointed a successor trustee and this successor accepts the appointment. The successor trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor trustee's acceptance of the appointment; the Trustee shall assign, transfer, and pay over to the successor trustee the funds and properties then constituting the Fund. If for any reason the Guarantor cannot or does not act in the event of the resignation of the Trustee, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor trustee or for instructions. The successor trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Guarantor, the DEQ Director and the present Trustee by certified mail ten (10) days before such change becomes effective. Any expenses incurred by the

Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 9.

Section 13. *Instructions to the Trustee.* All orders, requests, certifications of valid claims, and instructions to the Trustee shall be in writing, signed by such persons as are designated in the attached Exhibit A or such other designees as the Guarantor may designate by amendments to Exhibit A. The Trustee shall be fully protected in acting without inquiry in accordance with the Guarantor's orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Guarantor or the DEQ Director hereunder has occurred. The Trustee shall have no duty to act in the absence of such orders, requests, and instructions from the Guarantor and/or DEQ, except as provided for herein.

Section 14. *Amendment of Agreement.* This Agreement may be amended by an instrument in writing executed by the Guarantor, the Trustee, and the DEQ Director, or by the Trustee and the DEQ Director if the Guarantor ceases to exist.

Section 15. *Irrevocability and Termination.* Subject to the right of the parties to amend this Agreement as provided in Section 14, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Guarantor, the Trustee, and the DEQ Director, or by the Trustee and the DEQ Director, if the Guarantor ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be paid to the Guarantor.

The DEQ Director will agree to termination of the Trust when the owner or operator substitutes alternative financial assurance as specified in this Section.

Section 16. *Immunity and indemnification.* The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Guarantor and the DEQ Director issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Guarantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonable incurred in its defense in the event the Guarantor fails to provide such defense.

Section 17. *Choice of Law.* This Agreement shall be administered, construed, and enforced according to the laws of the State of **Wyoming**.

Section 18. *Interpretation.* As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation of the legal efficacy of this Agreement.

In Witness Whereof the parties have caused this Agreement to be executed by their respective officers duly authorized and their

corporate seals to be hereunto affixed and attested as of the date first above written. The parties below certify that the wording of this Agreement is identical to the wording specified in Chapter 5, Appendix A, Part XVII of the Wyoming Hazardous Waste Management Rules and Regulations, as such regulations were constituted on the date first above written.

[Signature of Guarantor]

[Title]

Attest:

[Title]

[Seal]

[Signature of Trustee]

Attest:

[Title]

[Seal]

(2) The following is an example of the certification of acknowledgement which must accompany the trust agreement for a standby trust fund as specified in Chapter 5, Section 1(h)(viii) of the Wyoming Hazardous Waste Management Rules and Regulations. State requirements may differ on the proper content of this acknowledgement.

State of \_\_\_\_\_

County of \_\_\_\_\_

On this [date], before me personally came [owner or operator] to me known, who, being by me duly sworn, did depose and say that she/he resides at [address], that she/he is [title] of [corporation], the corporation described in and which executed the above instrument; that she/he knows the seal of said corporation; that the seal affixed to such instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that she/he signed her/his name thereto by like order.

[Signature of Notary Public]