



# Environmental Fact Sheet

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## FINANCIAL ASSURANCE MECHANISMS PROPOSED FOR LANDFILL OPERATORS

*The Environmental Protection Agency (EPA) has proposed a new rule that would provide local government owners and operators of municipal solid waste landfills additional flexibility in meeting federal financial assurance requirements.*

### Background

The Solid Waste Disposal Criteria, promulgated on October 9, 1991, require that owners and operators of municipal solid waste landfills (MSWLFs) demonstrate financial responsibility for the costs of closure, post-closure, and corrective action associated with their facilities. The financial assurance requirements were intended to ensure that adequate funds will be available to cover these costs. The Criteria rule provided a number of financial mechanisms that owners and operators can use to demonstrate financial assurance. In the preamble to that rule, EPA announced its intent to promulgate, before April 1994, a financial test for use by local governments and another for use by corporations.

### Action

EPA has now proposed a rule that would expand the financial assurance mechanisms available to include a local government financial test and guarantee (a corporate financial test and guarantee are under development in another rulemaking). The financial test would allow an owner or operator to demonstrate that it has sufficient financial strength to meet the obligations associated with its facility on

its own. The guarantee would allow a local government to guarantee the costs associated with a MSWLF on behalf of the owner or operator.

Owners or operators that are able to meet certain financial criteria, as well as satisfy public notice, reporting, and recordkeeping components, would be able to use the financial test. They would be eligible to assure costs that equal up to 43% of the local government's total annual revenue.

The proposal would further increase the flexibility of the financial test by allowing owners and operators to use combinations of mechanisms in assuring the costs of their facilities. An owner or operator that can satisfy the test requirements for some, but not all, of its obligations would be able to use the test to the extent it is eligible, then procure a third party mechanism only for the remainder of the costs.

Owners or operators that are able to use the financial test or guarantee mechanisms for all of its obligations would not have to incur the cost of securing a third-party instrument.

## **Public Comment**

EPA is requesting public comment on this proposed rule. Comments should be submitted to EPA within 60 days of the *Federal Register* notice publication date. For instructions on submitting written comments, please see the *Federal Register* notice. It is available at no charge by calling the RCRA Hotline or by visiting EPA's RCRA Information Center in Washington, D.C.

## **Contact**

For further information, or to order a copy of the *Federal Register* notice, please call the RCRA Hotline Monday through Friday, 8:30 a.m. to 7:30 p.m., EST. The national toll-free number is (800) 424-9346; for the hearing impaired, it is (TDD) (800) 553-7672. In Washington, D.C., the number is (703) 412-9810 or TDD (703) 412-3323. Or write to: RCRA Information Center, Office of Solid Waste (5305), U.S. EPA, 401 M Street, SW, Washington, D.C. 20460.