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TITLE: EPA Policy Regarding Review of Financial Assurance
Instruments

APPROVAL DATE: 6-6-84

EFFECTIVE DATE: 6-6-84

ORIGINATING OFFICE: Office of Solid Waste

☒ **FINAL**

☐ **DRAFT**

STATUS:

[]	A-	Pending OMB approval
[]	B-	Pending AA-OSWER approval
[]	C-	For review &/or comment
[]	D-	In development or circulating headquarters

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Key Words: Financial Responsibility Requirements

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Subject: EPA Policy Regarding Review of Financial Assurance Instruments

Addressee: Hazardous Waste Branch Chiefs, Regions I-X

Originator: George Garland, Chief Financial Responsibility and Assessment Branch

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Summary:

It is EPA's policy to review all financial insurance instruments regardless of decisions concerning the adequacy or inadequacy of closure/post-closure plans and/or cost estimates. Financial instruments must be inspected for compliance with Federal or State regulations.

Items 11 and 14 on the Facility Status Sheet should always be completed even when plans and/or cost estimates are inadequate.

JUN 6 1984

Review of Financial Assurance Instruments

George Garland, Chief
Financial Responsibility and Assessment Branch (WH-562)

Hazardous Waste Branch Chiefs
Regions I-X

The purpose of this memorandum is to clarify our policy regarding the review of financial assurance instruments. Lee Daneker and Tony Montrone sent a memorandum to the HWDMS Project Officers on December 20, 1983 to clarify the instructions for the Compliance and Enforcement Log and the Facility Status Sheet. As a result of that memorandum, I am concerned that reviews of financial instruments are being deferred until closure/post-closure plans and cost estimates are determined to be adequate and in compliance with federal or state regulations.

It is our policy to review all financial assurance instruments regardless of decisions concerning the adequacy or inadequacy of closure/post-closure plans and/or cost estimates. We expect you to examine the financial instruments (wording, issuer qualifications, etc.) for compliance with Federal or State regulations. We consider this distinct review essential and, therefore, stress that it be conducted even in the absence of a reviewed plan and cost estimate.

The facility status sheets should reflect this policy. Therefore, item number eleven--Closure Assurance Instruments--and item number fourteen--Post-Closure Assurance Instruments--should always be completed even when the plans and/or cost estimates have been determined inadequate. When the plans and/or cost estimates are revised and reviewed, the adequacy of the amount of the financial instrument should be reviewed concurrently.

I have made minor revisions to the facility status sheet instructions to reflect this distinction. The revised instructions are attached to this memorandum. Please inform your States of our policy and explain the change in the status sheet. If you have any questions about adequacy determinations on financial assurance instruments, please contact Carole Ansheles on 382-4671.

Attachment

cc: Carole Ansheles
Susan Hughes
Lee Daneker
Tony Montrone

(WH-562)S. Susan/sds/S-242/6/1/84