



Department of
**Environment &
Conservation**

Solid Waste Program Financial Assurance Rulemaking Introduction

Underground Storage Tanks and Solid Waste Disposal Control Board

Chapter 0400-11-01 Solid Waste Processing & Disposal Rules

- Purpose of this Rulemaking:
Improve and clarify financial assurance regulations for the solid waste program.
- Background:
Financial Assurance is a financial arrangement between the permittee and the Commissioner which guarantees the availability of funds the Commissioner may use to operate, close, and provide post-closure care to a facility if the permittee fails to properly execute the permittee's responsibilities.



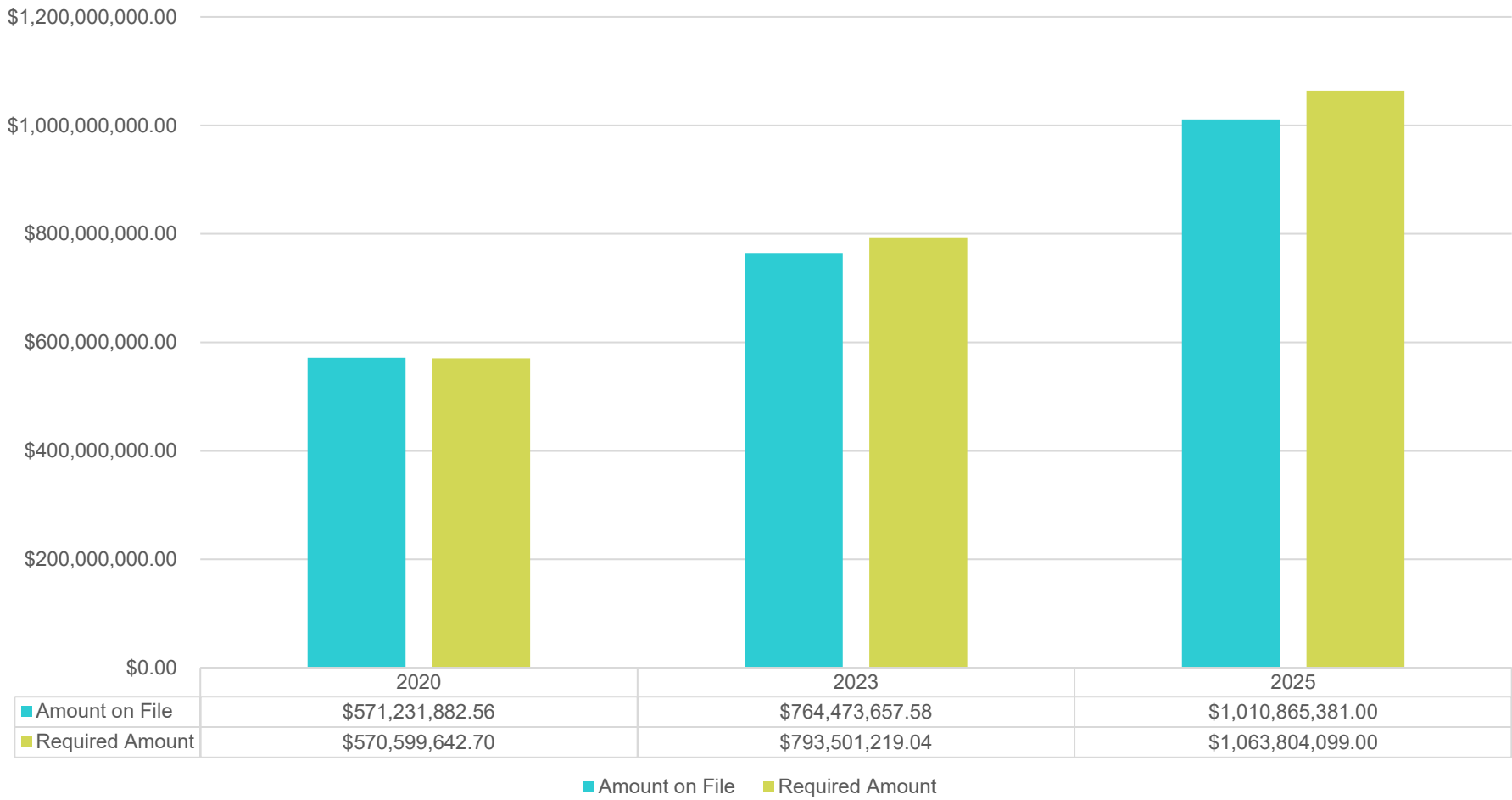
Solid Waste Financial Assurance

- Total Financial Assurance Requirement for Solid Waste Facilities:
~\$1,068,820,008.24
318 facilities
 - 233 Landfills
 - 4 Composting Facilities
 - 58 Solid Waste Processors
 - 20 Recovered Materials Processing Facilities
 - 3 Land application sites



Financial Assurance Trends from 2020-2025

Total SWP Financial Assurance 2020-2025



Summary of Changes

- Clarifies the financial assurance responsibilities for the owner of a solid waste facility as well as updating the definition and use of “owner”, “operator”, and “permittee” throughout the chapter
- Strengthens liability coverage when permits are undergoing a transfer of ownership
- Clarifies requirements for surety companies, financial test and corporate guarantees, and trust funds when used as a mechanism
- Improves the process for forfeitures of financial assurance mechanisms

Specific Changes

1. Make the owner(s) of a solid waste facility required by Chapter 0400-11-01 to obtain financial assurance equally responsible as the operator for providing such financial assurance;
2. Clarify that a new permittee must demonstrate compliance with financial assurance requirements before a permit can be transferred;
3. Clarify that a surety company issuing bonds must be in good standing with the Tennessee Secretary of State and must be among those listed as acceptable sureties for Federal bonds in Circular 570 of the U.S. Department of Treasury;
4. Create a more efficient process for collecting funds from bonds and letters of credit when these instruments are about to be cancelled, and the permittee has failed to provide an adequate replacement;

Specific Changes, cont.

5. Clarify that when using the financial test and corporate guarantee to provide financial assurance, the permittee providing the financial assurance must identify all of the environmental liabilities being covered;
6. Disallow gradual payments into a trust fund when used to provide financial assurance, and require trust funds to be fully funded when used as a financial assurance mechanism;
7. Make additional changes to improve, clarify, and update the financial assurance program; and
8. Use the terms “owner,” “operator,” and “permittee” consistently throughout the chapter.

Questions?

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