4. Financial Assurance Cost Adjustments On a Quarterly Basis

The financial assurance regulations of 264/5.142(b) require the owner/operator of a TSDF to annually adjust closure and post-closure costs. For a facility adjusting costs via implicit price deflator (IPD), the cost adjustments must be made within 60 days prior to the anniversary of the establishment of the facility's financial assurance (or within 30 days after the close of a facility's fiscal year for owner/operators using the financial test or corporate guarantee). If a facility's anniversary date of financial assurance (or fiscal year) does not coincide with the issuance of the annual IPD, how should the facility adjust its costs?

If a facility's financial assurance anniversary date or fiscal year does not coincide with the issuance of the annual IPDs, the owner/operator may use the latest IPD (for example, if a facility must update their financial assurance in February of 1994, the facility may use the 1992 annual IPD, despite the time lag). The U.S. Department of Commerce usually publishes the annual IPD based on Gross National Product (GNP) in March, and the Gross Domestic Product (GDP) IPDs in February; the owner/operator may use either figure. Alternatively, the owner/operator may use quarterly IPD figures published by the Department of Commerce, obtaining the inflation factor by dividing the current quarterly IPD by the IPD for the same quarter in the previous year (e.g., divide first quarter 1994 by first quarter 1993). If a facility's anniversary date or fiscal year does not coincide with the issuance of the annual IPD, the facility may use the most current annual or quarterly IPD, however owner/operators must be consistent in their use of either annual or quarterly IPDs to calculate the inflation factor. Some owner/operators may be required by their state regulations to update financial assurance cost estimates on a quarterly basis.