



Washington State
Department of Ecology
Spill Prevention, Preparedness, and Response Program
P.O. Box 47600, Olympia, WA 98504-7600
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Proof of Financial Responsibility Chapter 173-187 WAC

Chief Financial Officer Letter Agreement Form

I am the
of (name of facility or vessel or grantor)

This letter is in support of the use of Choose an item. to
demonstrate financial responsibility for costs and damages of oil pollution claims
and the unlawful discharge of oil caused by an oil spill to the navigable waters of
Washington State in the amount of at least .¹

The following facility(ies) or vessel(s) are covered by this financial test by the:

(name of facility or vessel):
is the

This has not received an adverse opinion, a disclaimer of
opinion, or a "going concern" qualification from an independent auditor on their
financial statements for the latest completed fiscal year.

The financial test we will use to demonstrate proof of self-insurance is (only
provide financial information for one test):

Test I

Test II

¹ Calculation of financial responsibility is the worst-case spill volume multiplied by \$12,500 per barrel
or the maximum of \$300,000,000 arising from operating the regulated facility(ies) or vessel(s).

Test I

1.	Ratio of total liabilities to net worth - enter the following from current audited financial statements: (Please indicate in the financial statements where these figures are located, either by highlighting or placing a check mark.)	
a.	Total liabilities	\$ _____
b.	Net worth (equity)	\$ _____
c.	Total Liabilities divided by Net Worth (a divided by b; must be less than 1.5) (OR 2.)	
2.	Ratio of cash flows to total liabilities	
a.	Cash and cash equivalents at year or quarter end	\$ _____
b.	\$20,000,000	\$ <u>20,000,000</u>
c.	Sum of cash and cash equivalents minus \$20,000,000 (a minus b)	\$ _____
d.	Total liabilities	\$ _____
e.	Sum of cash and cash equivalents minus \$20,000,000 divided by total liabilities (c divided by d; must be greater than 0.1)	
3.	Worldwide owner's equity minus intangible assets (i.e., tangible net worth) greater than \$20,000,000 plus the two times the amount of required self-insurance	
a.	Worldwide owner's equity	\$ _____
b.	Minus intangible assets	\$ _____
c.	Total worldwide owner's equity minus intangible assets (i.e., tangible net worth) (a minus b)	\$ _____
d.	Two times the amount of required self-insurance	\$ _____
e.	\$20,000,000	\$ <u>20,000,000</u>
f.	Total of two times the amount of required self-insurance plus \$20,000,000 (d plus e)	\$ _____
g.	Tangible net worth minus two times the required self-insurance plus \$20,000,000 (c minus f)	\$ _____
4.	United States assets, not including assets that are petroleum inventory that may be affected by an oil spill from a facility covered by the self-insurance, equal to or greater than 90 percent of total assets or at least two times the amount of required self-insurance.	
a.	Amount of total assets located in the United States (Please submit a separate auditor's statement to support this number if total assets located in the United States is a different value than total assets in the annual audited financial statements or Form 10K as filed with the United States Securities and Exchange Commission.)	\$ _____
b.	Amount of petroleum inventory	\$ _____
c.	Total US assets less petroleum inventory (a minus b)	\$ _____
d.	Total assets	\$ _____

e.	Total US assets less petroleum inventory divided by total assets (must be over 90%) (c divided by d) (OR f.)	
f.	Total US assets less petroleum inventory (a minus b)	\$ _____
g.	Two times the amount of required self-insurance	\$ _____
h.	Total US assets less petroleum inventory minus two times the amount of required self-insurance (f minus g; must be positive)	\$ _____

Test II

1.	Current credit rating (BBB- stable or better from Standard and Poor's, Baa or better by Moody's, or commercial paper rate of A1, A2 or the equivalent) (Please attach a copy of the/your most recent rating letter)	
2.	Worldwide owner's equity minus intangible assets (i.e., tangible net worth) greater than \$20,000,000 plus two times the amount of required self-insurance	
a.	Worldwide owner's equity	\$ _____
b.	Minus intangible assets	\$ _____
c.	Total worldwide owner's equity minus intangible assets (i.e., tangible net worth) (a minus b)	\$ _____
d.	Two times the amount of required self-insurance	\$ _____
e.	\$20,000,000	\$ <u>20,000,000</u>
f.	Two times the total amount of required self-insurance plus \$20,000,000 (d plus e)	\$ _____
g.	Tangible net worth minus two times the amount of required self-insurance plus \$20,000,000 (c minus f)	\$ _____
3.	United States assets, not including assets that are petroleum inventory that may be affected by an oil spill from a facility covered by the self-insurance, equal to or greater than 90 percent of total assets or at least two times the amount of required self-insurance.	
a.	Amount of total assets located in the United States (Please submit a separate auditor's statement to support this number if total assets located in the United States is a different value than total assets in the annual audited financial statements or Form 10K as filed with the United States Securities and Exchange Commission.)	\$ _____
b.	Amount of petroleum inventory	\$ _____
c.	Total US assets less petroleum inventory (a minus b)	\$ _____
d.	Total assets	\$ _____
e.	Total US assets less petroleum inventory divided by total assets (must be over 90%) (c divided by d) (OR f.)	
f.	Total US assets less petroleum inventory (a minus b)	\$ _____
g.	Two times the amount of required self-insurance	\$ _____
h.	Total US assets less petroleum inventory minus two times the amount of required self-insurance (f minus g; must be positive)	\$ _____

I understand that Ecology must be notified of a significant change that affects our company's proof of financial responsibility within seven calendar days after becoming aware of such change. Significant changes include, but are not limited to:

- a change in ownership or operational control;
- a method of demonstrating financial responsibility will be terminated or any coverage thereunder will cease;
- the financial responsibility coverage amount must be changed or adjusted.

I hereby certify that the wording of this letter is identical to the wording provided in Ecology's Proof of Financial Responsibility Chief Financial Officer Letter Agreement Form on the date shown immediately below.

Authorized Signature

Date

Print Name

Title

Authorized Signature

Date

Print Name

Title

Submitting Party Information

Company Name:	
Contact Name:	
Address:	
Phone Number:	Fax Number:
Email:	Website:

Additional Submitting Party Information (If Needed)

Company Name:	
Contact Name:	
Address:	
Phone Number:	Fax Number:
Email:	Website: