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 NMED Hazardous Waste Bureau

February 27, 2023

Rick Shien, Chief  
 Hazardous Waste Bureau  
 New Mexico Environment Department  
 2905 Rodeo Park Drive  
 Santa Fe, NM 87505

**RE: Response to Second Disapproval, 2019 Financial Assurance Submittal – Attachment A – 2022 Financial Assurance Submittal, Advanced Chemical Treatment, Inc. EPA ID# NMD002208627, HWB-ACT-MISC**

**Dear Mr. Shien:**

Advanced Chemical Treatment, Inc. (ACTreatment) would like to respond letter dated February 3, 2023.

Below you will find a summary of comments along with our response and follow-up.

1. The table titled *Adjusted Closure Cost Estimates from 2017-2021* provides the gross domestic product (GDP) used to calculate the cost estimate amounts from 2017 through 2021. Address the following:
  - a. There appears to be a typographical error in reporting the 2017 cost estimate amount. The October 2, 2017 Cost Estimate provided by Daniel B. Stephens & Associates, Inc. is reported as \$457,178 while the cost reported in the 2022 *Adjusted Closure Cost Closure Cost Estimates* table is \$451,178 which implies deflation rather than inflation. Provide a corrected 2022 *Adjusted Closure Cost Estimate* table with the response letter. In addition, the Permittee must also provide a corrected Schedule A since the cost estimate calculations for 2022 was affected by the incorrect 2017 cost estimate reported in the table. The Permittee does not have to resubmit corrected versions of the *Increase Rider*; however, future submittals will require resubmittal of all of the financial assurance documents if incorrect cost estimates are reported.

*Please see revised table which indicates the correct 2017 estimate of \$457,178.00. A revised Schedule A can be found in Attachment A.*

NIPA Table 1.1.9<sup>1</sup>

	2016	2017	2018	2019	2020	2021
<b>Gross Domestic Product</b>	105.74	107.749	110.339	112.318	113.784	118.895
<b>Amount</b>		\$457,178.00	\$465,864.12	\$477,062.26	\$485,618.67	\$491,957.08



- b. NMED could not verify the calculations listed in the *Adjusted Closure Cost Estimate* table or replicate the calculations for adjusting the closure cost estimates. It would facilitate NMED's review if the Permittee provided the calculations for generating the *Adjusted Closure Cost Estimate* table. Provide the calculations in the upcoming 2023 and future financial assurance submittals.

*The 2018 adjusted cost estimate was calculated by looking up the GDP implicit price deflator (Line 1) for 2017 and divided by the price deflator 2016. The result was our inflation "multiplier." The adjusted cost estimate for 2018 was calculated using our 2017 current cost estimate (\$457,178.00) multiplied by the multiplier. Here is the formula:  $(110.339/107.749) * \$457.178 = \$465,864.12$*

- c. Although the Permittee provides a reference for BEA Table 1.1.9, NMED was not able to verify the GDP values from the Permittee's table. Provide a copy of the BEA Table 1.1.9 for the 2023 and future financial assurance submittals to facilitate NMED's review.

Table 1.1.9. Implicit Price Deflators for Gross Domestic Product is in Attachment B.

2. The Permittee must include the cost estimate table with the 2023 and future financial assurance submittals to facilitate NMED's review. The Permittee must address and incorporate all comments from this Disapproval in the upcoming 2023 Financial Assurance submittal. Furthermore, the response letter with the corrected 2022 *Adjusted Closure Cost Estimate* table, table calculations, and corrected Schedule A from this Disapproval must be sent as a separate submittal from the 2023 Financial Assurance submittal so that NMED can track documents in our administrative record. NMED must receive the response no later than the submittal date of the 2023 Financial Assurance.

Regards,

A handwritten signature in black ink, appearing to read "Pasquale Paduano", written in a cursive style.

Pasquale Paduano  
Vice President TSDF  
ACTenviro

Enclosures

cc: K. Harsono, Compliance Director, ACTenviro



**Attachment A – Schedule A**

T 505.349.5220  
F 505.344.7986

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[www.ACTenviro.com](http://www.ACTenviro.com)

**Schedule A**  
**Identification of Facilities and Cost Estimates**

EPA Identification Number	NMD002208627
Name	Advanced Chemical Treatment, Inc.
Address	6133 Edith Blvd., NE Albuquerque, NM 87107
Closure Cost Estimate	\$491,957.08
Date of Estimate	February 27, 2023



**Attachment B – Implicit Price Deflators for Gross Domestic Product**

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**Table 1.1.9. Implicit Price Deflators for Gross Domestic Product**

[Index numbers, 2012=100]

*Last Revised on: February 23, 2023 - Next Release Date March 30, 2023*

Line	2014	2015	2016	2017	2018	2019	2020	2021	2022
Line									
1 <b>Gross domestic product</b>	<b>103.654</b>	<b>104.691</b>	<b>105.740</b>	<b>107.749</b>	<b>110.339</b>	<b>112.318</b>	<b>113.784</b>	<b>118.895</b>	<b>127.224</b>
2 <b>Personal consumption expenditures</b>	<b>102.887</b>	<b>103.116</b>	<b>104.148</b>	<b>106.054</b>	<b>108.317</b>	<b>109.933</b>	<b>111.145</b>	<b>115.621</b>	<b>122.833</b>
3 Goods	98.920	95.896	94.332	94.621	95.334	94.948	94.237	98.824	107.325
4 Durable goods	95.429	93.358	91.141	89.067	87.698	86.809	86.032	90.809	96.745
5 Nondurable goods	100.599	97.092	95.876	97.451	99.339	99.247	98.585	103.001	113.144
6 Services	104.880	106.796	109.197	111.966	115.070	117.791	120.133	124.458	130.707
7 <b>Gross private domestic investment</b>	<b>102.872</b>	<b>103.697</b>	<b>103.726</b>	<b>105.275</b>	<b>107.164</b>	<b>109.003</b>	<b>110.176</b>	<b>114.169</b>	<b>123.655</b>
8 Fixed investment	103.172	104.075	104.202	105.939	107.932	109.698	111.179	115.608	125.352
9 Nonresidential	101.469	101.909	101.119	101.992	102.824	104.155	104.948	106.688	113.644
10 Structures	107.198	109.403	109.670	112.411	114.116	118.805	120.380	125.276	145.859
11 Equipment	99.169	98.671	97.593	97.579	97.711	97.841	97.340	97.726	103.791
12 Intellectual property products	100.791	101.374	100.302	101.202	102.423	103.327	105.183	106.913	109.470
13 Residential	111.118	114.114	118.127	123.454	130.417	134.144	138.622	153.963	175.328
14 Change in private inventories	---	---	---	---	---	---	---	---	---
15 <b>Net exports of goods and services</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
16 Exports	100.216	95.373	93.458	95.903	99.142	98.692	96.278	107.304	117.406
17 Goods	98.312	91.323	87.772	90.060	93.271	91.807	88.217	100.726	112.312
18 Services	104.466	104.431	106.155	108.950	112.244	114.128	114.594	121.500	127.651
19 Imports	97.961	90.144	87.058	88.980	91.408	89.972	88.010	94.478	101.526
20 Goods	96.752	87.644	83.999	85.880	88.263	86.379	83.963	90.508	97.532
21 Services	104.018	102.981	102.856	104.991	107.648	108.618	109.342	114.972	121.842
22 <b>Government consumption expenditures and gross investment</b>	<b>104.470</b>	<b>104.638</b>	<b>104.899</b>	<b>107.353</b>	<b>111.303</b>	<b>113.192</b>	<b>115.329</b>	<b>121.436</b>	<b>130.570</b>
23 Federal	102.643	103.143	103.695	105.592	108.662	110.639	111.898	115.724	121.498
24 National defense	102.056	102.334	102.650	104.260	107.147	108.903	110.148	114.240	120.238
25 Nondefense	103.621	104.466	105.370	107.697	111.044	113.360	114.640	118.111	123.622
26 State and local	105.698	105.656	105.739	108.534	113.028	114.864	117.568	125.206	136.565
Addendum:									
27 Gross national product	103.652	104.681	105.727	107.736	110.324	112.300	113.765	118.871	---