

Technical Expertise. Established Reputation.

The Sarbanes-Oxley Act of 2002 is the single most important piece of legislation affecting corporate governance, financial disclosure, and the practice of public accounting since the U.S. securities laws of the early 1930s, according to PriceWaterhouseCoopers, a national accounting firm. An important element of this legislation is the standardization of the environmental reserves cost-estimating process companies use in calculating their environmental liabilities.

EnSafe has intensive experience with environmental reserve cost estimate reviews. Environmental reserve cost-estimating is an important issue given the Securities and Exchange Commission guidance documents' intent that public companies have in place a process to adequately identify, and consistently and reasonably estimate environmental liabilities. EnSafe has been successful in helping companies comply with Sarbanes-Oxley requirements.

creative thinking. custom solutions.

EnSafe's services are grounded in a philosophy of acting as stewards of our clients' resources, expending only what is necessary to achieve their objectives.

## CLIENTS

International Manufacturing Firm: EnSafe completed a reserve review involving 16 sites that represented more than 80% of this Fortune 50 company's \$400 million+ reserve.

National Consumer Services Company: EnSafe assisted this client and its outside counsel in response to an SEC inquiry letter related to its environmental liabilities. This project focused on data collection and the validity of the processes which enabled sites to cross the consultant-client interface to ensure that they not only entered the reserve but also entered at a reasonable and probable cost.

U.S. Manufacturing Firm: EnSafe conducts annual third-party review of environmental reserves of \$200+million, including complex multi-party sites, FUSRAP involvement and both USEPA and Nuclear Regulatory Commission issues.

## REVIEW OF REMEDIATION LIABILITY RESERVES & ENVIRONMENTAL COMPONENT OF ASSET RETIREMENT OBLIGATIONS

- Cost-estimating strategy — rollup vs. aggregate vs. similar site models
- Unit-cost development — use of models vs. regional experience
- Approach to cost ranges — high, low, mean, median
- Approach to contingent liabilities
- Approach to transaction costs
- Basis for future-cost calculation — years, present value, and inflators
- Approach to annual "spend" adjustments
- Approach to probability assessment for multiple end-game sites

## Technical Expertise

Detailed experience in environmental reserve calculation and review both for the private and public sector

## Government Sector

EnSafe's reserve estimate services extend to the government sector. We supported the U.S. Navy's Early Transfer Program by developing independent, defensible cost estimates for the investigation and remediation of specific U.S. Navy installations being closed under the Base Realignment and Closure (BRAC) Program.

EnSafe also is supporting the ongoing development and implementation of a pilot process for estimating the U.S. Navy's Other Environmental Liabilities (OEL).

## Contact Us

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