**Section 326.160 Financial Tests for Parent Company Guarantee**

A licensee may provide assurance of the availability of funds for reclaiming based on obtaining a parent company guarantee that funds will be available for reclaiming costs, provided that the parent company can demonstrate that it meets the applicable financial tests identified in this Section. To pass the financial test, the parent company shall demonstrate it meets the criteria specified in either subsection (a) or (b) of this Section.

a) The parent company shall have:

1) Two of the following three ratios:

A) A ratio of total liabilities to net worth less than 2.0;

B) A ratio of the sum of net income plus depreciation, depletion and amortization to total liabilities greater than 0.1;

C) A ratio of current assets to current liabilities greater than 1.5;

2) Net working capital and tangible net worth, each at least 6 times the total current reclamation cost estimate for all decommissioning activities for which the company is responsible under a parent company guarantee, a self-guarantee or a commitment to another regulatory agency (e.g., USEPA);

3) Tangible net worth of at least $10 million; and

4) Assets located in the United States amounting to at least 90 percent of total assets or at least 6 times the total current reclamation cost estimate for all decommissioning activities for which the company is responsible under a parent company guarantee, a self-guarantee or a commitment to another regulatory agency (e.g., USEPA).

b) Or the parent company shall have:

1) A current rating for its most recent uninsured, uncollateralized and unencumbered bond issuance of AAA, AA, A or BBB as issued by Standard and Poor's, or Aaa, Aa, A or Baa as issued by Moody's;

2) Tangible net worth of at least 6 times the total current reclamation cost estimate for all decommissioning activities for which the company is responsible under a parent company guarantee, a self-guarantee or a commitment to another regulatory agency (e.g., USEPA);

3) Tangible net worth of at least $10 million; and

4) Assets located in the United States amounting to at least 90 percent of total assets or at least 6 times the total current reclamation cost estimate for all decommissioning activities for which the company is responsible under a parent company guarantee, a self-guarantee or a commitment to another regulatory agency (e.g., USEPA).