

US Ecology Washington, Inc.
Affiliated Interest and Subsidiary Transaction Report
For the Year Ended December 31, 2008
WAC 480-92-055 (3)

Prepared by Tray Caldwell, Rate Analyst / Site Accountant

Tray Caldwell

**American Ecology Corporation
(AEC)**

Directors:
 Victor J. Barnhart
 Joe F. Colvin
 Roy C. Eliff
 Edward F. Heil
 Jeffrey S. Merrifield
 John W. Poling, Sr.
 Stephen A. Romano

Officers:
 CEO/Pres. – Stephen A. Romano
 VP/Director of Sales – Steven D. Welling
 VP/CIO – John M. Cooper
 VP/CFO – Jeffrey R. Feeler
 VP/Operations – Simon G. Bell
 VP/Controller - Eric L. Gerratt
 Asst. Secretary/Corp. Counsel – Wayne R. Ipsen

**US Ecology
Nevada, Inc.
(USEN)**
 81-0651862
 (Delaware)

Directors:
 Stephen A. Romano
 Simon G. Bell
 Jeffrey R. Feeler
Officers:
 Pres. and CEO – Stephen A. Romano
 VP – Jeffrey R. Feeler
 VP – Robert L. Marchand
 VP – Simon G. Bell
 Treas. – Chad E. Black
 Sec. – Wayne R. Ipsen

**US Ecology
Washington, Inc.
(USEW)**
 87-0728692
 (Delaware)

Directors:
 Stephen A. Romano
 Simon G. Bell
 Jeffrey R. Feeler
Officers:
 Pres. and CEO – Stephen A. Romano
 VP – Jeffrey R. Feeler
 VP – Simon G. Bell
 Treas. – Chad E. Black
 Sec. – Wayne R. Ipsen

**American Ecology
Environmental
Services Corporation
(AEESC)**
 75-1747175
 (Texas)

Directors:
 Stephen A. Romano
 Simon G. Bell
 Jeffrey R. Feeler
Officers:
 Pres. and CEO – Stephen A. Romano
 VP – Jeffrey R. Feeler
 VP – Simon G. Bell
 Treas. – Chad E. Black
 Sec. – Wayne R. Ipsen

**American Ecology
Recycle Center, Inc.
(AERC)**
 62-1568988
 (Delaware)

Directors:
 Stephen A. Romano
 Simon G. Bell
 Jeffrey R. Feeler
Officers:
 Pres. and CEO – Stephen A. Romano
 VP – Jeffrey R. Feeler
 VP – Simon G. Bell
 Treas. – Chad E. Black
 Sec. – Wayne R. Ipsen

**US Ecology Idaho,
Inc.
(USEI)**
 82-0365987
 (Delaware)

Directors:
 Stephen A. Romano
 Simon G. Bell
 Jeffrey R. Feeler
Officers:
 Pres. and CEO – Stephen A. Romano
 VP – Jeffrey R. Feeler
 VP – Kevin G. Trader
 VP – Simon G. Bell
 Treas. – Chad E. Black
 Sec. – Wayne R. Ipsen

**US Ecology
Texas, Inc.
(USET)**
 76-0400703
 (Delaware)

Directors:
 Stephen A. Romano
 Simon G. Bell
 Jeffrey R. Feeler
Officers:
 Pres. and CEO – Stephen A. Romano
 VP – Jeffrey R. Feeler
 VP – Simon G. Bell
 Treas. – Chad E. Black
 Sec. – Wayne R. Ipsen

**US Ecology, Inc.
(USE)**
 94-1406536
 (California)

Directors:
 Stephen A. Romano
 Simon G. Bell
 Jeffrey R. Feeler
Officers:
 Pres. and CEO – Stephen A. Romano
 VP – Jeffrey R. Feeler
 VP – Simon G. Bell
 Treas. – Chad E. Black
 Sec. – Wayne R. Ipsen

American Ecology Corporation & Subsidiaries
Consolidated Balance Sheets
As of December 31, 2008

| | US Ecology Washington, Inc. | AEC & All Other Subsidiaries | TOTAL |
|---------------------------------------|--------------------------------|---------------------------------|-----------------------|
| Assets | | | |
| Cash and cash equivalents | (23,350.09) | 18,496,206.79 | 18,472,856.70 |
| Trade receivables | 1,583,219.38 | 25,740,562.55 | 27,323,781.93 |
| Other AR, net | 6,276.09 | 3,407,524.22 | 3,413,800.31 |
| Prepayments and other | 26,652.78 | 2,254,597.74 | 2,281,250.52 |
| Income tax receivable | | 2,833,760.90 | 2,833,760.90 |
| Deferred tax asset | | 684,359.00 | 684,359.00 |
| Current assets | 1,592,788.16 | 53,417,011.20 | 55,009,809.36 |
| Property and equip, net | 381,754.30 | 67,605,085.96 | 67,986,840.26 |
| Restricted cash | | 4,715,761.95 | 4,715,761.95 |
| Non-current assets | 381,754.30 | 72,320,847.91 | 72,702,602.21 |
| Total assets | 1,974,552.46 | 125,737,859.11 | 127,712,411.57 |
| Liabilities & Equity | | | |
| Long-term debt - current | | 10,387.66 | 10,387.66 |
| Trade AP | 122,707.79 | 5,277,353.59 | 5,400,061.38 |
| Other AP and accrued | 1,227,488.74 | 9,212,059.76 | 10,439,548.50 |
| State burial taxes | 195,559.06 | 1,314,530.93 | 1,510,089.99 |
| Closure/Post-closure obligation | | 489,681.50 | 489,681.50 |
| Current liabilities | 1,545,753.59 | 16,304,013.44 | 17,849,767.03 |
| Long-term debt | | 20,770.74 | 20,770.74 |
| Closure/Post-closure obligation | | 13,972,363.33 | 13,972,363.33 |
| Deferred tax liability | | 3,926,986.91 | 3,926,986.91 |
| Intercompany transactions | (48,529,482.61) | 48,529,482.61 | |
| Non-current liabilities | (48,529,482.61) | 66,449,603.59 | 17,920,120.98 |
| Total liabilities | (46,983,729.02) | 82,753,617.03 | 35,769,888.01 |
| Common stock | 10.00 | 183,033.14 | 183,043.14 |
| Additional paid-in capital | | 60,803,249.91 | 60,803,249.91 |
| Retained earnings - prior years | 45,605,781.42 | (33,559,382.28) | 12,046,419.13 |
| Retained earnings - current year | 3,352,490.06 | 18,145,020.56 | 21,497,510.62 |
| Treasury stock | | | (2,587,699.24) |
| Shareholders' equity | 48,958,281.48 | 42,984,242.08 | 91,942,523.56 |
| Total liabilities & equity | 1,974,552.46 | 125,737,859.11 | 127,712,411.57 |

American Ecology Corporation & Subsidiaries
Consolidated Income Statements - YTD
For the Twelve Months Ending December 31, 2008

| | US Ecology Washington, Inc. | AEC & All Other Subsidiaries | TOTAL |
|-------------------------------------|--------------------------------|---------------------------------|-----------------------|
| Direct disposal revenues | 6,075,488.80 | 30,880,260.21 | 36,955,749.01 |
| Other revenues | 1,450,473.16 | 54,613,180.73 | 56,063,653.89 |
| Transportation revenues | 73,328.84 | 82,734,653.33 | 82,807,982.17 |
| Revenues | 7,599,290.80 | 168,228,094.27 | 175,827,385.07 |
| Labor | 980,416.93 | 8,523,652.31 | 9,504,069.24 |
| Reagents | | 13,995,722.23 | 13,995,722.23 |
| Equipment and supplies | 375,422.84 | 5,840,560.59 | 6,215,983.43 |
| Depreciation | 51,608.47 | 8,795,265.30 | 8,846,873.77 |
| Services | 1,112,109.42 | 3,701,740.47 | 4,813,849.89 |
| Transportation | 57,788.83 | 82,006,241.33 | 82,064,030.16 |
| Fees | 448,140.11 | 820,949.53 | 1,269,089.64 |
| Allocated expenses | | (988,616.00) | (988,616.00) |
| Closure/post-closure costs | | 293,500.64 | 293,500.64 |
| Other | 28,371.65 | 342,898.24 | 371,269.89 |
| Direct costs | 3,053,858.25 | 123,331,914.64 | 126,385,772.89 |
| Gross Profit | 4,545,432.55 | 44,896,179.63 | 49,441,612.18 |
| Selling | 24,727.72 | 2,880,367.07 | 2,905,094.79 |
| Legal | 2,558.62 | 103,202.77 | 105,761.39 |
| General & admin | 1,166,046.63 | 10,709,210.02 | 11,875,256.65 |
| Selling, general & admin | 1,193,332.97 | 13,692,779.86 | 14,886,112.83 |
| Other expense (income) | | (305,695.04) | (305,695.04) |
| (Gain)/loss on sale of assets | 432.64 | 33,883.39 | 34,316.03 |
| Other | 432.64 | (271,811.65) | (271,379.01) |
| EBINT | 3,351,666.94 | 31,475,211.42 | 34,826,878.36 |
| Investment income | (823.12) | (411,612.08) | (412,435.20) |
| Interest expense | | 6,543.70 | 6,543.70 |
| Investments/interest | (823.12) | (405,068.38) | (405,891.50) |
| Pretax earnings/(loss) | 3,352,490.06 | 31,880,279.80 | 35,232,769.86 |
| Income taxes | | 13,735,259.24 | 13,735,259.24 |
| Net earnings (loss) | 3,352,490.06 | 18,145,020.56 | 21,497,510.62 |

WAC 480-92-055 (3)(b):

- (ii) The services provided by American Ecology Corporation to US Ecology Washington, Inc. consist of accounting, legal, and management services.
- (iii) No costs are allocated or charged for the services American Ecology Corporation provides to US Ecology Washington, Inc.
- (iv) As part of everyday cash management, the net difference between receivables and payables resides in a central bank account owned by American Ecology Corporation.
- (v) US Ecology Washington, Inc. assumes no obligations or liabilities for affiliated interests except for guarantee of the Wells Fargo line of credit identical to all American Ecology Corporation affiliated companies.
- (vi) American Ecology Corporation provides accounting, legal, and management services to each of its subsidiary companies, including, US Ecology Washington, Inc.
- (vii) Common Officers and Directors:

| | Name | American Ecology Corporation | US Ecology Washington, Inc. |
|-------------------|-------------------|-------------------------------------|------------------------------------|
| Directors: | Stephen A. Romano | Director | Director |
| Officers: | Stephen A. Romano | CEO/Pres. | Pres. and CEO |
| | Jeffrey R. Feeler | VP/CFO | VP |
| | Simon G. Bell | VP/Operations | VP |
| | Wayne R. Ipsen | Asst. Sec./Corp. Counsel | Secretary |