CLEAN HARBORS INC
Form 10-Q
May 06, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURTIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2011

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSTION PERIOD FROM TO

Commission File Number 001-34223

CLEAN HARBORS, INC.

(Exact name of registrant as specified in its charter)

Massachusetts	**04-2997780**
(State of Incorporation)	(IRS Employer Identification No.)
42 Longwater Drive, Norwell, MA	**02061-9149**
(Address of Principal Executive Offices)	(Zip Code)

(781) 792-5000

(Registrant s Telephone Number, Including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the issuer s classes of common stock, as of the latest practicable date.

Common Stock, $.01 par value	**26,469,944**
(Class)	(Outstanding at May 4, 2011)

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CLEAN HARBORS, INC.

QUARTERLY REPORT ON FORM 10-Q

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CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

ASSETS

(in thousands)

		March 31, 2011 (unaudited)		December 31, 2010
Current assets:				
Cash and cash equivalents	$	531,763	$	302,210
Marketable securities		4,143		3,174
Accounts receivable, net of allowances aggregating $18,813 and $23,704, respectively		347,532		332,678
Unbilled accounts receivable		16,891		19,117
Deferred costs		6,359		6,891
Prepaid expenses and other current assets		30,007		28,939
Supplies inventories		43,817		44,546
Deferred tax assets		17,364		14,982
Total current assets		997,876		752,537
Property, plant and equipment:				
Land		32,751		31,654
Asset retirement costs (non-landfill)		2,249		2,242
Landfill assets		51,146		54,519
Buildings and improvements		148,913		147,285
Camp equipment		70,987		62,717
Vehicles		176,983		162,397
Equipment		562,446		537,937
Furniture and fixtures		2,600		2,293
Construction in progress		38,173		33,005
		1,086,248		1,034,049
Less accumulated depreciation and amortization		402,964		378,655
Total property, plant and equipment, net		683,284		655,394
Other assets:				
Long-term investments		5,379		5,437
Deferred financing costs		12,941		7,768
Goodwill		61,786		60,252
Permits and other intangibles, net of accumulated amortization of $63,996 and $60,633, respectively		113,650		114,400
Other		5,728		6,687
Total other assets		199,484		194,544
Total assets	$	1,880,644		1,602,475

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CLEAN HARBORS, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (Continued)

LIABILITIES AND STOCKHOLDERS EQUITY

(in thousands)

	March 31, 2011 (unaudited)	December 31, 2010
Current liabilities:		
Current portion of capital lease obligations	$ 7,214	$ 7,954
Accounts payable	135,998	136,978
Deferred revenue	28,500	30,745
Accrued expenses	95,847	116,089
Current portion of closure, post-closure and remedial liabilities	14,761	14,518
Total current liabilities	282,320	306,284
Other liabilities:		
Closure and post-closure liabilities, less current portion of $5,061 and $5,849, respectively	29,877	32,830
Remedial liabilities, less current portion of $9,700 and $8,669, respectively	128,005	128,944
Long-term obligations	525,416	264,007
Capital lease obligations, less current portion	6,216	6,839
Unrecognized tax benefits and other long-term liabilities	86,940	82,744
Total other liabilities	776,454	515,364
Stockholders equity:		
Common stock, $.01 par value:		
Authorized 40,000,000 shares; issued and outstanding 26,450,206 and 26,386,196 shares, respectively	264	264
Treasury stock	(4,251)	(2,467)
Shares held under employee participation plan	(777)	(777)
Additional paid-in capital	492,264	488,648
Accumulated other comprehensive income	67,240	50,759
Accumulated earnings	267,130	244,400
Total stockholders equity	821,870	780,827
Total liabilities and stockholders equity	$ 1,880,644	$ 1,602,475

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CLEAN HARBORS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(in thousands except per share amounts)

	Three Months Ended March 31, 2011		Three Months Ended March 31, 2010	
Revenues	$	434,962	$	354,896
Cost of revenues (exclusive of items shown separately below)		312,577		260,417
Selling, general and administrative expenses		54,794		45,484
Accretion of environmental liabilities		2,389		2,702
Depreciation and amortization		25,460		22,674
Income from operations		39,742		23,619
Other income		2,899		446
Interest expense, net of interest income of $244 and $102, respectively		(6,478)		(6,928)
Income from continuing operations before provision for income taxes		36,163		17,137
Provision for income taxes		13,433		7,089
Income from continuing operations		22,730		10,048
Income from discontinued operations, net of tax				382
Net income	$	22,730	$	10,430
Earnings per share:				
Basic	$	0.86	$	0.40
Diluted	$	0.86	$	0.40
Weighted average common shares outstanding		26,399		26,251
Weighted average common shares outstanding plus potentially dilutive common shares		26,579		26,371

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CLEAN HARBORS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Three Months Ended March 31, 2011	2010
Cash flows from operating activities:		
Net income	$ 22,730	$ 10,430
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	25,460	22,674
Allowance for doubtful accounts	205	519
Amortization of deferred financing costs and debt discount	614	732
Accretion of environmental liabilities	2,389	2,702
Changes in environmental liability estimates	(260)	(772)
Deferred income taxes	486	(227)
Stock-based compensation	1,744	791
Excess tax benefit of stock-based compensation	(1,105)	(151)
Income tax benefit related to stock option exercises	1,105	151
Other expense (income)	455	(446)
Environmental expenditures	(2,340)	(2,162)
Changes in assets and liabilities, net of acquisitions		
Accounts receivable	(10,341)	(20,158)
Other current assets	2,949	(5,811)
Accounts payable	(6,876)	(4,681)
Other current liabilities	(22,359)	(11,798)
Net cash from operating activities	14,856	(8,207)
Cash flows from investing activities:		
Additions to property, plant and equipment	(34,115)	(16,552)
Acquisitions, net of cash acquired	(2,152)	
Additions to intangible assets, including costs to obtain or renew permits	(322)	(586)
Proceeds from sales of marketable securities	388	
Proceeds from sales of fixed assets	1,013	828
Net cash from investing activities	(35,188)	(16,310)
Cash flows from financing activities:		
Change in uncashed checks	(5,216)	(3,203)
Proceeds from exercise of stock options	39	81
Remittance of shares, net	(1,784)	(15)
Proceeds from employee stock purchase plan	699	574
Deferred financing costs paid	(5,628)	(53)
Payments on capital leases	(1,690)	(470)
Distribution of cash earned on employee participation plan	(189)	(148)
Excess tax benefit of stock-based compensation	1,105	151
Issuance of senior secured notes, including premium	261,250	
Net cash from financing activities	248,586	(3,083)
Effect of exchange rate change on cash	1,299	658
Increase (decrease) in cash and cash equivalents	229,553	(26,942)
Cash and cash equivalents, beginning of period	302,210	233,546

Cash and cash equivalents, end of period	$	531,763	$	206,604
Supplemental information:				
Cash payments for interest and income taxes:				
Interest paid	$	10,789	$	12,184
Income taxes paid		8,274		4,751
Non-cash investing and financing activities:				
Property, plant and equipment accrued	$	17,571	$	2,324

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CLEAN HARBORS, INC. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

(in thousands)

	Common Stock Number of Shares	Common Stock $ 0.01 Par Value	Treasury Stock	Shares Held Under Employee Participation Plan	Additional Paid-in Capital	Comprehensive Income	Accumulated Other Comprehensive Income	Accumulated Earnings	Total Stockholders Equity
Balance at January 1, 2011	26,386	$ 264	$ (2,467)	$ (777)	$ 488,648		$ 50,759	$ 244,400	$ 780,827
Net income						$ 22,730		22,730	22,730
Change in fair value of available for sale securities, net of taxes						754	754		754
Foreign currency translation						15,727	15,727		15,727
Total comprehensive income						$ 39,211			
Stock-based compensation	68				1,773				1,773
Issuance of restricted shares, net of shares remitted	(19)		(1,784)						(1,784)
Exercise of stock options	3				39				39
Net tax benefit on exercise of stock options					1,105				1,105
Employee stock purchase plan	12				699				699
Balance at March 31, 2011	26,450	$ 264	$ (4,251)	$ (777)	$ 492,264		$ 67,240	$ 267,130	$ 821,870

The accompanying notes are an integral part of these unaudited consolidated financial statements.

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CLEAN HARBORS, INC. AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION

The accompanying consolidated interim financial statements include the accounts of Clean Harbors, Inc. and its subsidiaries (collectively, Clean Harbors or the Company) and have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC) and, in the opinion of management, include all adjustments which are of a normal recurring nature, necessary for a fair presentation of the financial position, results of operations, and cash flows for the periods presented. The results for interim periods are not necessarily indicative of results for the entire year or any other interim periods. The financial statements presented herein should be read in connection with the financial statements included in the Company s Annual Report on Form 10-K for the year ended December 31, 2010.

During the quarter ended March 31, 2011, the Company re-aligned its management reporting structure. Under the new structure, the Company s operations are managed in four segments: Technical Services, Field Services, Industrial Services and Oil and Gas Field Services. The new segment, Oil and Gas Field Services, consists of the previous Exploration Services segment, as well as certain oil and gas related field services departments that were re-assigned from the Industrial Services segment. In addition, certain departments from the Field Services segment were re-assigned to the Industrial Services segment. Accordingly, the Company re-aligned and re-allocated departmental costs being allocated among the segments to support these management reporting changes. The Company has recast the March 31, 2010 and December 31, 2010 segment information to conform to the current year presentation. See Note 12, Segment Reporting. Under the new structure, the four operating segments consist of:

- Technical Services provides a broad range of hazardous material management services including the packaging, collection, transportation, treatment and disposal of hazardous and non-hazardous waste at Company owned incineration, landfill, wastewater, and other treatment facilities.

- Field Services provides a wide variety of environmental cleanup services on customer sites or other locations on a scheduled or emergency response basis including tank cleaning, decontamination, remediation, and spill cleanup.

- Industrial Services provides industrial and specialty services, such as high-pressure and chemical cleaning, catalyst handling, decoking, material processing and industrial lodging services to refineries, chemical plants, oil sands facilities, pulp and paper mills, and other industrial facilities.

- Oil and Gas Field Services provides fluid handling, fluid hauling, down hole servicing, exploration, mapping and directional boring services to the energy sector serving oil and gas exploration, production, and power generation.

Technical Services and Field Services are included as part of Clean Harbors Environmental Services, and Industrial Services and Oil and Gas Field Services are included as part of Clean Harbors Energy and Industrial Services.

In preparing the accompanying unaudited consolidated financial statements, the Company has reviewed events that have occurred after March 31, 2011, until the issuance of the financial statements.

(2) RECENT ACCOUNTING PRONOUNCEMENTS

From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board and are adopted by the Company as of the specified effective dates. Management believes that the impact of recently issued accounting pronouncements will not have a material impact on the Company s financial position, results of operations and cash flows, or do not apply to the Company s operations.

In 2009, the FASB issued Accounting Standards Update 2009-13, *Revenue Recognition (Topic 605) Multiple-Deliverable Revenue Arrangements,* or ASU, 2009-13 which provides additional guidance on the recognition of revenue from multiple element arrangements. ASU 2009-13 states that if vendor specific objective evidence or third party evidence for deliverables in an arrangement cannot be determined, companies are required to develop a best estimate of the selling price for separate deliverables and allocate arrangement consideration using the relative selling price method. This guidance is effective for fiscal years beginning after June 15, 2010 and may be applied prospectively to new or materially modified arrangements after the effective date or retrospectively. The Company adopted ASU 2009-13 prospectively as of January 1, 2011 and although the adoption did not materially impact its financial condition, results of operations, or cash flow, this guidance may impact the Company s determination of the separation of deliverables for future arrangements.

(3) FAIR VALUE MEASUREMENTS

The Company s financial instruments consist of cash and cash equivalents, marketable securities, receivables, trade payables, auction rate securities and long-term debt. The estimated fair value of cash and cash equivalents, receivables, and trade payables approximate their carrying value due to the short maturity of these instruments. As of March 31, 2011, the Company held certain marketable securities and auction rate securities that are required to be measured at fair value on a recurring basis. The fair value of marketable securities is recorded based on quoted market prices. The auction rate securities are classified as available for sale and the fair value of these securities as of March 31, 2011 was estimated utilizing a discounted cash flow analysis. The discounted cash flow analysis considered, among other items, the collateralization underlying the security investments, the creditworthiness of the counterparty, the timing of expected future cash flows, and the expectation of the next time the security is expected to have a

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successful auction. The auction rate securities were also compared, when possible, to other observable market data with similar characteristics to the securities held by the Company.

As of March 31, 2011, all of the Company s auction rate securities continue to have AAA underlying credit ratings. The underlying assets of the Company s auction rate securities are student loans, which are substantially insured by the Federal Family Education Loan Program. The Company attributes the $0.3 million decline in the fair value of the securities from the original cost basis to external liquidity issues rather than credit issues. The Company assessed the decline in value to be temporary because it does not intend to sell and it is more likely than not that the Company will not have to sell the securities before their maturity.

During the three months ended March 31, 2011, the Company recorded an unrealized pre-tax loss of $0.1 million on its auction rate securities which is included in accumulated other comprehensive income. During the same period in 2010 there was no change to the unrealized pre-tax loss on auction rate securities. As of March 31, 2011, the Company continued to earn interest on its auction rate securities according to their stated terms with interest rates resetting generally every 28 days.

The Company s assets measured at fair value on a recurring basis at March 31, 2011 and December 31, 2010 were as follows (in thousands):

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at March 31, 2011
Auction rate securities	$	$	$ 5,379	$ 5,379
Marketable securities	$ 4,143	$	$	$ 4,143

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2010
Auction rate securities	$	$	$ 5,437	$ 5,437
Marketable securities	$ 3,174	$	$	$ 3,174

The following table presents the changes in the Company s auction rate securities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the three months ended March 31, 2011 and 2010 (in thousands):

	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Balance at January 1,	$ 5,437	$ 6,503
Unrealized loss included in other comprehensive income	(58)	
Balance at March 31,	$ 5,379	$ 6,503

(4) GOODWILL AND OTHER INTANGIBLE ASSETS

The changes to goodwill for the three months ended March 31, 2011 were as follows (in thousands):

		2011
Balance at January 1, 2011	$	60,252
Acquired from an acquisition		691
Foreign currency translation		843
Balance at March 31, 2011	$	61,786

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Below is a summary of amortizable other intangible assets (in thousands):

	March 31, 2011				December 31, 2010			
	Cost	Accumulated Amortization	Net	Weighted Average Amortization Period (in years)	Cost	Accumulated Amortization	Net	Weighted Average Amortization Period (in years)
Permits	$ 104,678	$ 43,558	$ 61,120	17.6	$ 103,493	$ 42,430	$ 61,063	15.9
Customer lists	59,551	12,210	47,341	7.7	58,322	10,418	47,904	8.0
Other intangible assets	13,417	8,228	5,189	3.3	13,218	7,785	5,433	3.5
	$ 177,646	$ 63,996	$ 113,650	10.1	$ 175,033	$ 60,633	$ 114,400	9.7

The aggregate amortization expense for the three months ended March 31, 2011 was $2.9 million.

Below is the expected amortization for the net carrying amount of finite lived intangible assets at March 31, 2011 (in thousands):

Years Ending December 31,	Expected Amortization
2011 (nine months)	$ 8,748
2012	11,553
2013	10,663
2014	9,951
2015	9,376
Thereafter	63,359
	$ 113,650

(5) ACCRUED EXPENSES

Accrued expenses consisted of the following (in thousands):

	March 31, 2011	December 31, 2010
Insurance	$ 20,365	$ 19,736
Interest	5,197	7,826
Accrued disposal costs	2,376	2,173
Accrued compensation and benefits	25,778	44,545
Income, real estate, sales and other taxes	18,048	19,529
Other	24,083	22,280
	$ 95,847	$ 116,089

(6) CLOSURE AND POST-CLOSURE LIABILITIES

The changes to closure and post-closure liabilities (also referred to as asset retirement obligations), for the three months ended March 31, 2011 were as follows (in thousands):

	Landfill Retirement Liability	Non-Landfill Retirement Liability	Total
Balance at January 1, 2011	$ 29,756	$ 8,923	$ 38,679
New asset retirement obligations	632		632
Accretion	554	275	829
Changes in estimate recorded to statement of income	(257)	89	(168)
Other changes in estimates recorded to balance sheet	(4,681)		(4,681)
Settlement of obligations	(217)	(228)	(445)
Currency translation and other	77	15	92
Balance at March 31, 2011	$ 25,864	$ 9,074	$ 34,938

All of the landfill facilities included in the above were active as of March 31, 2011.

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New asset retirement obligations incurred in 2011 are being discounted at the credit-adjusted risk-free rate of 8.79% and inflated at a rate of 1.01%.

(7) REMEDIAL LIABILITIES

The changes to remedial liabilities for the three months ended March 31, 2011 were as follows (in thousands):

	Remedial Liabilities for Landfill Sites	Remedial Liabilities for Inactive Sites	Remedial Liabilities (Including Superfund) for Non-Landfill Operations	Total
Balance at January 1, 2011	$ 5,511	$ 82,354	$ 49,748	$ 137,613
Accretion	66	935	559	1,560
Changes in estimate recorded to statement of income		390	(482)	(92)
Settlement of obligations	(18)	(1,008)	(869)	(1,895)
Currency translation and other	81	4	434	519
Balance at March 31, 2011	$ 5,640	$ 82,675	$ 49,390	$ 137,705

(8) FINANCING ARRANGEMENTS

The following table is a summary of the Company s financing arrangements (in thousands):

	March 31, 2011	December 31, 2010
Senior secured notes, at 7.625%, due August 15, 2016	$ 520,000	$ 270,000
Revolving credit facility, due July 31, 2013		
Unamortized bond premium and discount, net	5,416	(5,993)
Long-term obligations	$ 525,416	$ 264,007

As of December 31, 2010, the Company had outstanding $270 million of aggregate principal amount 7.625% senior secured notes due 2016. On March 24, 2011, the Company issued an additional $250.0 million aggregate principal amount of such notes (the new notes). Under the purchase agreement, the new notes were priced for purposes of resale at 104.5% of the aggregate principal amount, representing an effective yield to maturity of 6.132%. In addition to such 104.5% purchase price, the purchase price paid to the Company for the new notes also included interest accrued on the new notes from and including February 15, 2011.The net proceeds from the issuance and sale of the new notes, after deducting the initial purchasers discount and estimated other transaction expenses, were approximately $255.6 million.

The new notes and the $270.0 million of notes issued on the initial issue date will be treated as a single class for all purposes including, without limitation, waivers, amendments, redemptions and other offers to purchase. The new notes and the notes issued on the initial issue date are referred to in this report collectively as the notes or the senior secured notes.

The principal terms of the notes are as follows:

Senior Secured Notes. The notes will mature on August 15, 2016. The notes bear interest at a rate of 7.625% per annum. Interest is payable semi-annually on February 15 and August 15 of each year. The notes were issued pursuant to an indenture dated as of August 14, 2009 (the indenture), as supplemented as of December 31, 2009, among the Company, as issuer, the Company s domestic subsidiaries, as guarantors, and U.S. Bank National Association, as trustee and notes collateral agent.

The fair value of the Company s currently outstanding notes is based on quoted market prices and was $547.4 million at March 31, 2011 and $278.3 million at December 31, 2010.

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The Company may redeem some or all of the notes at any time on or after August 15, 2012 at the following redemption prices (expressed as percentages of the principal amount) if redeemed during the twelve-month period commencing on August 15 of the year set forth below, plus, in each case, accrued and unpaid interest, if any, to the date of redemption:

Year	Percentage
2012	103.813%
2013	101.906%
2014 and thereafter	100.000%

At any time on or after September 29, 2011 but prior to August 15, 2012, the Company may also redeem up to 10% of the original aggregate principal amount of the notes at a redemption price of 103% of the principal amount, plus any accrued and unpaid interest. Prior to August 15, 2012, the Company may also redeem up to 35% of the aggregate principal amount of the notes at a redemption price of 107.625% of the principal amount, plus any accrued and unpaid interest, using proceeds from certain equity offerings, and may also redeem some or all of the senior secured notes at a redemption price of 100% of the principal amount plus a make-whole premium and any accrued and unpaid interest. Holders may require the Company to repurchase the notes at a purchase price equal to 101% of the principal amount, plus any accrued and unpaid interest, upon a change of control of the Company.

The notes are guaranteed by substantially all the Company s current and future domestic restricted subsidiaries. The notes are the Company s and the guarantors senior secured obligations ranking equally, subject to the lien priorities summarized below, with all of the Company s and the guarantors existing and future senior obligations (including obligations under the Company s credit agreement) and senior to any future indebtedness that is expressly subordinated to the senior secured notes and the guarantees. The notes and the guarantees are secured by a first lien on substantially all of the assets of the Company and its domestic restricted subsidiaries (the Notes Collateral), except for accounts receivable, related general intangibles and instruments and proceeds related thereto (the ABL Collateral) and certain other excluded collateral as provided in the indenture and subject to certain exceptions and permitted liens. The notes and the guarantees are also secured by a second lien on the ABL Collateral that, along with a second lien on the Notes Collateral, secure the Company s obligations under its ABL facility under its revolving credit agreement. The notes are not guaranteed by, or secured by the assets of, the Company s Canadian or other foreign subsidiaries.

If the Company or its domestic subsidiaries sell assets under specified circumstances, the Company must offer to repurchase the senior secured notes from certain of the net proceeds of such sale at a purchase price equal to 100% of the principal amount, plus any accrued and unpaid interest, to the applicable repurchase date.

In connection with the issuance of the new notes, the Company and the guarantors entered into a registration rights agreement dated March 24, 2011, with the initial purchasers. Under such agreement, the Company and the guarantors are required to file with the SEC an exchange offer registration statement and use reasonable best efforts to cause the exchange offer to be consummated within 180 days following the sale of the new notes, thereby enabling holders to exchange the new notes for registered notes with terms substantially identical to the terms of the new notes. Under specified circumstances, including if the exchange offer would not be permitted by applicable law or SEC policy, the registration rights agreement would require that the Company and the guarantors file a shelf registration statement and use reasonable best efforts to have such registration statement declared effective within 90 days following the event giving rise to the requirement to file the shelf registration statement for the resale of the new notes. If the Company and the guarantors default on their registration obligations under the registration rights agreement, additional interest (referred to as special interest), up to a maximum amount of 1.0% per annum, will be payable on the new notes until all such registration defaults are cured.

Revolving Credit Facility. At March 31, 2011, the revolving credit facility had no outstanding loans, $37.6 million available to borrow and $82.4 million of letters of credit outstanding. The financing arrangements and principal terms of the revolving credit facility are discussed further in the Company s 2010 Annual Report on Form 10-K. There have not been any material changes in such terms during the first three months of 2011.

(9) INCOME TAXES

The Company s effective tax rate (including taxes on income from discontinued operations) for the three months ended March 31, 2011 was 37.1%, compared to 41.0% for the same period in 2010. The decrease in the effective tax rate was primarily due to the increase in overall profits while permanent tax differences remained relatively constant. Also contributing to the rate reduction was the increased revenues and profits attributable to Canada, which has lower corporate income tax rates than the United States.

Total unrecognized tax benefits, other than adjustments for additional accruals for interest and penalties and foreign currency translation, remained relatively constant in the first quarter of 2011. There were no expiring statute of limitation periods that occurred during the first quarter of 2011 or 2010.

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As of March 31, 2011, the Company s unrecognized tax benefits and related reserves were $66.9 million, which included $20.5 million of interest and $6.6 million of penalties. As of December 31, 2010, the Company s unrecognized tax benefits and related reserves were $65.9 million, which included $19.7 million of interest and $6.5 million of penalties.

Due to expiring statute of limitation periods, the Company anticipates that total unrecognized tax benefits and related reserves, other than adjustments for additional accruals for interest and penalties and foreign currency translation, will decrease by approximately $6.2 million within the next twelve months. The $6.2 million (which includes interest and penalties of $2.6 million) is primarily related to a historical Canadian business combination and, if realized, will be recorded in earnings and therefore will impact the effective income tax rate, net of tax benefits.

(10) EARNINGS PER SHARE

The following is a reconciliation of basic and diluted earnings per share computations (in thousands except for per share amounts):

	Three Months Ended March 31,			
		2011		2010
Numerator for basic and diluted earnings per share:				
Income from continuing operations	$	22,730	$	10,048
Income from discontinued operations				382
Net income	$	22,730	$	10,430
Denominator:				
Basic shares outstanding		26,399		26,251
Dilutive effect of share-based compensation awards		180		120
Dilutive shares outstanding		26,579		26,371
Basic earnings per share				
Income from continuing operations	$	0.86	$	0.38
Income from discontinued operations				0.02
Net income	$	0.86	$	0.40
Diluted earnings per share				
Income from continuing operations	$	0.86	$	0.38
Income from discontinued operations				0.02
Net income	$	0.86	$	0.40

For the three months ended March 31, 2011, the dilutive effect of all then outstanding options, restricted stock and performance awards is included in the above calculations. For the three months ended March 31, 2010, the above calculation excludes the dilutive effects of 65 thousand outstanding performance stock awards for which the performance criteria were not attained at that time, and 18 thousand stock options that were not then in-the-money.

(11) COMMITMENTS AND CONTINGENCIES

Legal and Administrative Proceedings

The Company s waste management services are regulated by federal, state, provincial and local laws enacted to regulate discharge of materials into the environment, remediation of contaminated soil and groundwater or otherwise protect the environment. This ongoing regulation results in the Company frequently becoming a party to legal or administrative proceedings involving all levels of governmental authorities and other interested parties. The issues involved in such proceedings generally relate to applications for permits and licenses by the Company and conformity with legal requirements, alleged violations of existing permits and licenses, or alleged responsibility arising under federal or state Superfund laws to remediate contamination at properties owned either by the Company or by other parties (third party sites) to which either the Company or prior owners of certain of the Company s facilities shipped wastes.

At March 31, 2011 and December 31, 2010, the Company had recorded reserves of $30.4 million and $29.7 million, respectively, in the Company s financial statements for actual or probable liabilities related to the legal and administrative proceedings in which the Company was then involved, the principal of which are described below. At both March 31, 2011 and December 31, 2010, the Company also believed that it was reasonably possible that the amount of these potential liabilities could be as much as

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$2.8 million more. The Company periodically adjusts the aggregate amount of these reserves when these actual or probable liabilities are paid or otherwise discharged, new claims arise, or additional relevant information about existing or probable claims becomes available. As of March 31, 2011, the $30.4 million of reserves consisted of (i) $27.6 million related to pending legal or administrative proceedings, including Superfund liabilities, which were included in remedial liabilities on the consolidated balance sheets and (ii) $2.8 million primarily related to federal and state enforcement actions, which were included in accrued expenses on the consolidated balance sheets.

As of March 31, 2011, the principal legal and administrative proceedings in which the Company was involved, or which had been terminated during 2011, were as follows:

Ville Mercier. In September 2002, the Company acquired the stock of a subsidiary (the Mercier Subsidiary) which owns a hazardous waste incinerator in Ville Mercier, Quebec (the Mercier Facility). The property adjacent to the Mercier Facility, which is also owned by the Mercier Subsidiary, is now contaminated as a result of actions dating back to 1968, when the Government of Quebec issued to a company unrelated to the Mercier Subsidiary two permits to dump organic liquids into lagoons on the property. By 1972, groundwater contamination had been identified, and the Quebec government provided an alternate water supply to the municipality of Ville Mercier.

In 1999, Ville Mercier and three neighboring municipalities filed separate legal proceedings against the Mercier Subsidiary and the Government of Quebec. The lawsuits assert that the defendants are jointly and severally responsible for the contamination of groundwater in the region, which they claim caused each municipality to incur additional costs to supply drinking water for their citizens since the 1970 s and early 1980 s. The four municipalities claim a Canadian dollar (CDN) total of $1.6 million as damages for additional costs to obtain drinking water supplies and seek an injunctive order to obligate the defendants to remediate the groundwater in the region. The Quebec Government also sued the Mercier Subsidiary to recover approximately $17.4 million (CDN) of alleged past costs for constructing and operating a treatment system and providing alternative drinking water supplies.

On September 26, 2007, the Quebec Minister of Sustainable Development, Environment and Parks issued a Notice pursuant to Section 115.1 of the Environment Quality Act, superseding Notices issued in 1992, which are the subject of the pending litigation. The more recent Notice notifies the Mercier Subsidiary that, if the Mercier Subsidiary does not take certain remedial measures at the site, the Minister intends to undertake those measures at the site and claim direct and indirect costs related to such measures. The Mercier Subsidiary continues to assert that it has no responsibility for the groundwater contamination in the region and will contest any action by the Ministry to impose costs for remedial measures on the Mercier Subsidiary. The Company also continues to pursue settlement options. At March 31, 2011 and December 31, 2010, the Company had accrued $14.1 million and $13.5 million, respectively, for remedial liabilities relating to the Ville Mercier legal proceedings. The increase resulted primarily from a foreign exchange rate adjustment due to the strengthening of the Canadian dollar and interest accretion.

CH El Dorado. In August 2006, the Company purchased all of the outstanding membership interests in Teris LLC (Teris) and changed the name of Teris to Clean Harbors El Dorado, LLC (CH El Dorado). At the time of the acquisition, Teris was, and CH El Dorado now is, involved in certain legal proceedings arising from a fire on January 2, 2005, at the incineration facility owned and operated by Teris in El Dorado, Arkansas.

CH El Dorado is defending vigorously the claims asserted against Teris in those proceedings, and the Company believes that the resolution of those proceedings related to the fire will not have a material adverse effect on the Company s financial position, results of operations or cash flows. In addition to CH El Dorado s defenses to the lawsuits, the Company will be entitled to rely upon an indemnification from the seller of the membership interests in Teris which is contained in the purchase agreement for those interests. Under that agreement, the seller agreed to indemnify (without any deductible amount) the Company against any damages which the Company might suffer as a result of the lawsuits to the extent that such damages are not fully covered by insurance or the reserves which Teris had established on its books prior to the acquisition. The seller s parent also guaranteed the indemnification obligation of the seller to the Company.

Deer Trail, Colorado Facility. Since April 5, 2006, the Company has been involved in various legal proceedings which have arisen as a result of the issuance by the Colorado Department of Public Health and Environment (CDPHE) of a radioactive materials license (RAD License) to a Company subsidiary, Clean Harbors Deer Trail, LLC (CHDT) to accept certain low level radioactive materials known as NORM/TENORM wastes for disposal. Adams County, the county where the CHDT facility is located, filed two suits against the CDPHE in Colorado effectively seeking to invalidate the license. The two suits filed in 2006 were both dismissed and those dismissals were upheld by the Colorado Court of Appeals. Adams County appealed those rulings to the Colorado Supreme Court which ruled on October 13, 2009 on the procedural issue that the County did have standing to challenge the license in district court and remanded the case back to that court for further proceedings. Adams County filed a third suit directly against CHDT in 2007 again attempting to invalidate the license. That suit was dismissed on November 14, 2008, and Adams County has now appealed that dismissal to the Colorado Court of Appeals. The Company continues to believe that the grounds asserted by the County are factually

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and legally baseless and has contested the appeal vigorously. The Company has not recorded any liability for this matter on the basis that such liability is currently neither probable nor estimable.

Superfund Proceedings

The Company has been notified that either the Company or the prior owners of certain of the Company s facilities for which the Company may have certain indemnification obligations have been identified as potentially responsible parties (PRPs) or potential PRPs in connection with 62 sites which are subject to or are proposed to become subject to proceedings under federal or state Superfund laws. Of the 62 sites, two involve facilities that are now owned by the Company and 60 involve third party sites to which either the Company or the prior owners shipped wastes. In connection with each site, the Company has estimated the extent, if any, to which it may be subject, either directly or as a result of any such indemnification provisions, for cleanup and remediation costs, related legal and consulting costs associated with PRP investigations, settlements, and related legal and administrative proceedings. The amount of such actual and potential liability is inherently difficult to estimate because of, among other relevant factors, uncertainties as to the legal liability (if any) of the Company or the prior owners of certain of the Company s facilities to contribute a portion of the cleanup costs, the assumptions that must be made in calculating the estimated cost and timing of remediation, the identification of other PRPs and their respective capability and obligation to contribute to remediation efforts, and the existence and legal standing of indemnification agreements (if any) with prior owners, which may either benefit the Company or subject the Company to potential indemnification obligations.

The Company s potential liability for cleanup costs at the two facilities now owned by the Company and at 35 (the Listed Third Party Sites) of the 60 third party sites arose out of the Company s 2002 acquisition of substantially all of the assets (the CSD assets) of the Chemical Services Division of Safety-Kleen Corp. As part of the purchase price for the CSD assets, the Company became liable as the owner of these two facilities and also agreed to indemnify the prior owners of the CSD assets against their share of certain cleanup costs for the Listed Third Party Sites payable to governmental entities under federal or state Superfund laws. Of the 35 Listed Third Party Sites, 12 are currently requiring expenditures on remediation, ten are now settled, and 13 are not currently requiring expenditures on remediation. The status of the two facilities owned by the Company (the Wichita Property and the BR Facility) and one of the Listed Third Party Sites (the Casmalia site) are further described below. There are also two third party sites at which the Company has been named a PRP as a result of its acquisition of the CSD assets but disputes that it has any cleanup or related liabilities: one such site (the Marine Shale site) is described below. The Company views any liabilities associated with the Marine Shale site and the other third party site as excluded liabilities under the terms of the CSD asset acquisition, but the Company is working with the EPA on a potential settlement. In addition to the CSD related Superfund sites, there are certain of the other third party sites which are not related to the Company s acquisition of the CSD assets, and certain notifications which the Company has received about other third party sites.

Wichita Property. The Company acquired in 2002 as part of the CSD assets a service center located in Wichita, Kansas (the Wichita Property). The Wichita Property is one of several properties located within the boundaries of a 1,400 acre state-designated Superfund site in an old industrial section of Wichita known as the North Industrial Corridor Site. Along with numerous other PRPs, the former owner executed a consent decree relating to such site with the EPA, and the Company is continuing its ongoing remediation program for the Wichita Property in accordance with that consent decree. The Company also acquired rights under an indemnification agreement between the former owner and an earlier owner of the Wichita Property, which the Company anticipates but cannot guarantee will be available to reimburse certain such cleanup costs.

BR Facility. The Company acquired in 2002 as part of the CSD assets a former hazardous waste incinerator and landfill in Baton Rouge (the BR Facility), for which operations had been previously discontinued by the prior owner. In September 2007, the United States Environmental Protection Agency (the EPA) issued a special notice letter to the Company related to the Devil s Swamp Lake Site (Devil s Swamp) in East Baton Rouge Parish, Louisiana. Devil s Swamp includes a lake located downstream of an outfall ditch where wastewater and stormwater have been discharged, and Devil s Swamp is proposed to be included on the National Priorities List due to the presence of Contaminants of Concern (COC) cited by the EPA. These COCs include substances of the kind found in wastewater and storm water discharged from the BR Facility in past operations. The EPA originally requested COC generators to submit a good faith offer to conduct a remedial investigation feasibility study directed towards the eventual remediation of the site. The Company is currently performing corrective actions at the BR Facility under an order issued by the Louisiana Department of Environmental Quality (the LDEQ), and has begun conducting the remedial investigation and feasibility study under an order issued by the EPA. The Company cannot presently estimate the potential additional liability for the Devil s Swamp cleanup until a final remedy is selected by the EPA.

Casmalia Site. At one of the 35 Listed Third Party Sites, the Casmalia Resources Hazardous Waste Management Facility (the Casmalia site) in Santa Barbara County, California, the Company received from the EPA a request for information in May 2007. In that request, the EPA is seeking information about the extent to which, if at all, the prior owner transported or arranged for

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disposal of waste at the Casmalia site. The Company has not recorded any liability for this 2007 notice on the basis that such transporter or arranger liability is currently neither probable nor estimable.

Marine Shale Site. Prior to 1996, Marine Shale Processors, Inc. (Marine Shale) operated a kiln in Amelia, Louisiana which incinerated waste producing a vitrified aggregate as a by-product. Marine Shale contended that its operation recycled waste into a useful product, i.e., vitrified aggregate, and therefore was exempt from regulation under the RCRA and permitting requirements as a hazardous waste incinerator under applicable federal and state environmental laws. The EPA contended that Marine Shale was a sham-recycler subject to the regulation and permitting requirements as a hazardous waste incinerator under RCRA, that its vitrified aggregate by-product was a hazardous waste, and that Marine Shale s continued operation without required permits was illegal. Litigation between the EPA and Marine Shale began in 1990 and continued until July 1996, when the U.S. Fifth Circuit Court of Appeals ordered Marine Shale to shut down its operations.

On May 11, 2007, the EPA and the LDEQ issued a special notice to the Company and other PRPs, seeking a good faith offer to address site remediation at the former Marine Shale facility. Certain of the former owners of the CSD assets were major customers of Marine Shale, but the Marine Shale site was not included as a Listed Third Party Site in connection with the Company s acquisition of the CSD assets and the Company was never a customer of Marine Shale. Although the Company believes that it is not liable (either directly or under any indemnification obligation) for cleanup costs at the Marine Shale site, the Company elected to join with other parties which had been notified that are potentially PRPs in connection with Marine Shale site to form a group (the Site Group) to retain common counsel and participate in further negotiations with the EPA and the LDEQ directed towards the eventual remediation of the Marine Shale site.

The Site Group made a good faith settlement offer to the EPA on November 29, 2007, and negotiations among the EPA, the LDEQ and the Site Group with respect to the Marine Shale site are ongoing. At both March 31, 2011 and December 31, 2010, the amount of the Company s reserves relating to the Marine Shale site was $3.8 million.

Certain Other Third Party Sites. At 14 of the 60 third party sites, the Company has an indemnification agreement with ChemWaste, a former subsidiary of Waste Management, Inc. and the prior owner. The agreement indemnifies the Company with respect to any liability at the 14 sites for waste disposed prior to the Company s acquisition of the sites. Accordingly, Waste Management is paying all costs of defending those subsidiaries in those 14 cases, including legal fees and settlement costs. However, there can be no guarantee that the Company s ultimate liabilities for these sites will not exceed the amount recorded or that indemnities applicable to any of these sites will be available to pay all or a portion of related costs. The Company does not have an indemnity agreement with respect to any of the other remaining 60 third party sites not discussed above. However, the Company believes that its additional potential liability, if any, to contribute to the cleanup of such remaining sites will not, in the aggregate, exceed $100,000.

Other Notifications. Between September 2004 and May 2006, the Company also received notices from certain of the prior owners of the CSD assets seeking indemnification from the Company at five third party sites which are not included in the third party sites described above that have been designated as Superfund sites or potential Superfund sites and for which those prior owners have been identified as PRPs or potential PRPs. The Company has responded to such letters asserting that the Company has no obligation to indemnify those prior owners for any cleanup and related costs (if any) which they may incur in connection with these five sites. The Company intends to assist those prior owners by providing information that is now in the Company s possession with respect to those five sites and, if appropriate to participate in negotiations with the government agencies and PRP groups involved. The Company has also investigated the sites to determine the existence of potential liabilities independent from the liability of those former owners, and concluded that at this time the Company is not liable for any portion of the potential cleanup of the five sites and therefore has not established a reserve.

Federal and State Enforcement Actions

From time to time, the Company pays fines or penalties in regulatory proceedings relating primarily to waste treatment, storage or disposal facilities. As of March 31, 2011 and December 31, 2010, there were three proceedings for which the Company reasonably believed that the sanctions could equal or exceed $100,000. The Company does not believe that the fines or other penalties in these or any of the other regulatory proceedings will, individually or in the aggregate, have a material adverse effect on its financial condition or results of operations.

Other Contingencies

In December 2010, the Company paid $10.5 million to acquire a minority interest in a privately-held company. Subsequent to the purchase of those securities but prior to December 31, 2010, the privately-held company exercised its irrevocable call right for those shares and tendered payment for a total of $10.5 million. The Company is disputing the fair value asserted by the privately-held

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company and believes that the shares had a fair value on the date of the exercise of the call right greater than the amount tendered. Due to the exercise of the irrevocable call right, the Company did not own those shares of that privately-held company as of December 31, 2010, and accordingly has recorded the $10.5 million in prepaid expenses and other current assets. The potential recovery of any additional amount depends upon several contested factors, and is considered a gain contingency and therefore has not been recorded in the Company s consolidated financial statements.

(12) SEGMENT REPORTING

During the quarter ended March 31, 2011, the Company re-aligned its management reporting structure. Under the new structure, the Company s operations are managed in four reportable segments: Technical Services, Field Services, Industrial Services and Oil and Gas Field Services. The new segment, Oil and Gas Field Services, consists of the previous Exploration Services segment, as well as certain oil and gas related field services departments that were re-assigned from the Industrial Services segment. In addition, certain departments from the Field Services segment were re-assigned to the Industrial Services segment. Accordingly, the Company re-aligned and re-allocated departmental costs being allocated among the segments to support these management reporting changes. The Company has recast the March 31, 2010 and December 31, 2010 segment information to conform to the current year presentation.

Performance of the segments is evaluated on several factors, of which the primary financial measure is Adjusted EBITDA, which consists of net income plus accretion of environmental liabilities, depreciation and amortization, net interest expense, and provision for income taxes. Also excluded are other income and income from discontinued operations, net of tax as these amounts are not considered part of usual business operations. Transactions between the segments are accounted for at the Company s estimate of fair value based on similar transactions with outside customers. The Company has reflected the impact of the change in its segment reporting in all periods presented to provide financial information that consistently reflects the Company s current approach to managing the operations.

The operations not managed through the Company s four operating segments are recorded as Corporate Items. Corporate Items revenues consist of two different operations for which the revenues are insignificant. Corporate Items cost of revenues represents certain central services that are not allocated to the four operating segments for internal reporting purposes. Corporate Items selling, general and administrative expenses include typical corporate items such as legal, accounting and other items of a general corporate nature that are not allocated to the Company s four operating segments.

The following table reconciles third party revenues to direct revenues for the three-month periods ended March 31, 2011 and 2010 (in thousands). Third party revenue is revenue billed to outside customers by a particular segment. Direct revenue is the revenue allocated to the segment performing the provided service. The Company analyzes results of operations based on direct revenues because the Company believes that these revenues and related expenses best reflect the manner in which operations are managed.

	For the Three Months Ended March 31, 2011					
	Technical Services	Field Services	Industrial Services	Oil and Gas Field Services	Corporate Items	Totals
Third party revenues	$ 185,447	$ 62,259	$ 108,583	$ 78,634	$ 39	$ 434,962
Intersegment revenues, net	5,141	(3,951)	(2,873)	2,193	(510)	
Direct revenues	$ 190,588	$ 58,308	$ 105,710	$ 80,827	$ (471)	$ 434,962

	For the Three Months Ended March 31, 2010					
	Technical Services	Field Services	Industrial Services	Oil and Gas Field Services	Corporate Items	Totals
Third party revenues	$ 153,527	$ 50,653	$ 92,320	$ 58,500	$ (104)	$ 354,896
Intersegment revenues, net	4,939	(4,177)	(1,226)	907	(443)	
Direct revenues	$ 158,466	$ 46,476	$ 91,094	$ 59,407	$ (547)	$ 354,896

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The following table presents information used by management by reported segment (in thousands). The Company does not allocate interest expense, income taxes, depreciation, amortization, accretion of environmental liabilities, and other income to segments.

	For the Three Months Ended March 31, 2011	2010
Adjusted EBITDA:		
Technical Services	$ 45,337	$ 33,180
Field Services	6,331	5,031
Industrial Services	23,343	19,860
Oil and Gas Field Services	14,665	11,496
Corporate Items	(22,085)	(20,572)
Total	$ 67,591	$ 48,995
Reconciliation to Consolidated Statements of Income:		
Accretion of environmental liabilities	$ 2,389	$ 2,702
Depreciation and amortization	25,460	22,674
Income from operations	39,742	23,619
Other income	(2,899)	(446)
Interest expense, net of interest income	6,478	6,928
Income from continuing operations before provision for income taxes	$ 36,163	$ 17,137

The following table presents assets by reported segment and in the aggregate (in thousands):

	March 31, 2011	December 31, 2010
Property, plant and equipment, net		
Technical Services	$ 261,315	$ 259,582
Field Services	33,579	32,311
Industrial Services	189,857	180,781
Oil and Gas Field Services	160,870	151,244
Corporate Items	37,663	31,476
Total property, plant and equipment, net	$ 683,284	$ 655,394
Intangible assets:		
Technical Services		
Goodwill	$ 33,624	$ 33,448
Permits and other intangibles, net	65,734	66,075
Total Technical Services	99,358	99,523
Field Services		
Goodwill	3,088	3,088
Permits and other intangibles, net	3,588	3,652
Total Field Services	6,676	6,740
Industrial Services		
Goodwill	11,321	10,934
Permits and other intangibles, net	17,766	17,906
Total Industrial Services	29,087	28,840
Oil and Gas Field Services		
Goodwill	13,753	12,782
Permits and other intangibles, net	26,562	26,768
Total Oil and Gas Field Services	40,315	39,550

Total	$	175,436	$	174,653

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The following table presents the total assets by reported segment (in thousands):

	March 31, 2011	December 31, 2010
Technical Services	$ 525,652	$ 525,286
Field Services	39,377	35,253
Industrial Services	231,369	221,472
Oil and Gas Field Services	262,398	272,479
Corporate Items	821,848	547,985
Total	$ 1,880,644	$ 1,602,475

The following table presents the total assets by geographical area (in thousands):

	March 31, 2011	December 31, 2010
United States	$ 1,188,646	$ 933,550
Canada	688,075	664,534
Other foreign	3,923	4,391
Total	$ 1,880,644	$ 1,602,475

(13) GUARANTOR AND NON-GUARANTOR SUBSIDIARIES FINANCIAL INFORMATION

As of December 31, 2010, the Company had outstanding $270.0 million aggregate principal amount of 7.625% senior secured notes due 2016 issued by the parent company, Clean Harbors, Inc., and on March 24, 2011, the parent company issued an additional $250.0 million aggregate principal amount of such notes. The combined $520.0 million of the parent s senior secured notes outstanding at March 31, 2011 is guaranteed by substantially all of the parent s subsidiaries organized in the United States. Each guarantor is a wholly-owned subsidiary of the Company and its guarantee is both full and unconditional and joint and several.The parent s notes are not guaranteed by the Company s Canadian or other foreign subsidiaries. The following presents supplemental condensed consolidating financial information for the parent company, the guarantor subsidiaries and the non-guarantor subsidiaries, respectively.

Following is the condensed consolidating balance sheet at March 31, 2011 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Assets:					
Cash and cash equivalents	$ 369,241	$ 111,037	$ 51,485	$	$ 531,763
Intercompany receivables	389,220			(389,220)	
Other current assets	16,409	262,561	187,143		466,113
Property, plant and equipment, net		310,996	372,288		683,284
Investments in subsidiaries	645,574	260,897	91,654	(998,125)	
Intercompany debt receivable		379,577	3,701	(383,278)	

Other long-term assets		13,195		86,767		99,522				199,484
Total assets	$	1,433,639	$	1,411,835	$	805,793	$	(1,770,623)	$	1,880,644
Liabilities and Stockholders Equity:										
Current liabilities	$	18,930	$	176,998	$	86,392	$		$	282,230
Intercompany payables				226,383		162,837		(389,220)		
Closure, post-closure and remedial liabilities, net				136,500		21,382				157,882
Long-term obligations		525,416								525,416
Capital lease obligations, net				82		6,134				6,216
Intercompany debt payable		3,701				379,577		(383,278)		
Other long-term liabilities		63,723		2,571		20,646				86,940
Total liabilities		611,770		542,534		676,968		(772,498)		1,058,774
Stockholders equity		821,869		869,301		128,825		(998,125)		821,870
Total liabilities and stockholders equity	$	1,433,639	$	1,411,835	$	805,793	$	(1,770,623)	$	1,880,644

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Following is the condensed consolidating balance sheet at December 31, 2010 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Assets:					
Cash and cash equivalents	$ 100,476	$ 124,582	$ 77,152	$	$ 302,210
Intercompany receivables	371,559			(371,559)	
Other current assets	15,521	279,895	154,911		450,327
Property, plant and equipment, net		302,028	353,366		655,394
Investments in subsidiaries	628,723	259,294	91,654	(979,671)	
Intercompany debt receivable		368,804	3,701	(372,505)	
Other long-term assets	7,768	87,888	98,888		194,544
Total assets	$ 1,124,047	$ 1,422,491	$ 779,672	$ (1,723,735)	$ 1,602,475
Liabilities and Stockholders Equity:					
Current liabilities	$ 13,935	$ 201,384	$ 90,965	$	$ 306,284
Intercompany payables		222,750	148,809	(371,559)	
Closure, post-closure and remedial liabilities, net		141,280	20,494		161,774
Long-term obligations	264,007				264,007
Capital lease obligations, net		249	6,590		6,839
Intercompany debt payable	3,701		368,804	(372,505)	
Other long-term liabilities	61,577	2,531	18,636		82,744
Total liabilities	343,220	568,194	654,298	(744,064)	821,648
Stockholders equity	780,827	854,297	125,374	(979,671)	780,827
Total liabilities and stockholders equity	$ 1,124,047	$ 1,422,491	$ 779,672	$ (1,723,735)	$ 1,602,475

Following is the consolidating statement of income for the three months ended March 31, 2011 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues	$	$ 248,367	$ 192,788	$ (6,193)	$ 434,962
Cost of revenues		175,438	143,332	(6,193)	312,577
Selling, general and administrative expenses	42	36,111	18,641		54,794
Accretion of environmental liabilities		2,087	302		2,389
Depreciation and amortization		12,998	12,462		25,460
Income from operations	(42)	21,733	18,051		39,742
Other income (expense)		3,336	(437)		2,899
Interest (expense) income	(6,676)	168	30		(6,478)
Equity in earnings of subsidiaries	33,331	7,301		(40,632)	
Intercompany dividend income (expense)			3,456	(3,456)	
Intercompany interest income (expense)		8,730	(8,730)		
Income before provision for income taxes	26,613	41,268	12,370	(44,088)	36,163
Provision for income taxes	3,883	6,327	3,223		13,433
Net income	$ 22,730	$ 34,941	$ 9,147	$ (44,088)	$ 22,730

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Following is the consolidating statement of income for the three months ended March 31, 2010 (in thousands):

	Clean Harbors, Inc.	U.S. Guarantor Subsidiaries	Foreign Non-Guarantor Subsidiaries	Consolidating Adjustments	Total
Revenues	$	$			