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AMERICAN ECOLOGY CORP  
Form 11-K  
June 28, 2004

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2003

COMMISSION FILE NUMBER 0-11688

A. American Ecology Corporation 401(k) Savings and Retirement Plan and Trust  
B. American Ecology Corporation  
300 East Mallard, Suite 300  
Boise, Idaho 83706

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN ECOLOGY CORPORATION 401(K) SAVINGS AND RETIREMENT PLAN AND TRUST

Date: 6/25/2004  
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/s/ James R. Baumgardner  
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James R. Baumgardner  
As Trustee for the Plan

AMERICAN ECOLOGY CORPORATION  
401(K) SAVINGS AND RETIREMENT PLAN  
AND TRUST

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM  
AND  
FINANCIAL STATEMENTS  
WITH  
SUPPLEMENTAL INFORMATION

DECEMBER 31, 2003 AND 2002

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Trustees  
American Ecology Corporation 401(k) Savings and Retirement Plan and Trust

We have audited the accompanying statement of net assets available for benefits of American Ecology Corporation 401(k) Savings and Retirement Plan and Trust (the Plan) as of December 31, 2003 and 2002 and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of American Ecology Corporation 401(k) Savings and Retirement Plan and Trust as of December 31, 2003 and 2002 and the changes in its net assets available for benefits for the year ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2003 and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Moss Adams LLP

Seattle, Washington  
June 4, 2004

AMERICAN ECOLOGY CORPORATION 401(K) SAVINGS  
AND RETIREMENT PLAN AND TRUST  
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2003 AND 2002

	2003	2002
ASSETS		
Investments, at fair value		
Pooled separate accounts	\$8,298,013	\$7,547,611
Common stock of American Ecology Corporation	-	205,302
Participant loans	267,361	375,680
Investments, at contract value	87,796	158,863
Receivables		
Employer match contribution	-	28
TOTAL ASSETS	8,653,170	8,287,484
LIABILITIES		
Accrued liabilities	452	-
NET ASSETS AVAILABLE FOR BENEFITS	\$8,652,718	\$8,287,484

See accompanying notes.

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AMERICAN ECOLOGY CORPORATION 401(K) SAVINGS  
AND RETIREMENT PLAN AND TRUST  
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS  
YEAR ENDED DECEMBER 31, 2003

ADDITIONS	
Investment income	
Net appreciation in fair value of common stock	\$ 100,634
Net appreciation in fair value of pooled separate accounts	1,691,611
Interest	16,514
	1,808,759
Contributions	
Employer	189,590
Employee	420,800

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Rollovers	25,969
	-----
	636,359
	-----
Total additions	2,445,118
	-----
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO	
Benefits paid to participants	2,044,919
Administrative expenses	34,965
	-----
Total deductions	2,079,884
	-----
NET INCREASE IN ASSETS AVAILABLE FOR BENEFITS	365,234
NET ASSETS AVAILABLE FOR BENEFITS	
Beginning of year	8,287,484
	-----
End of year	\$8,652,718
	=====

See accompanying notes. 4

AMERICAN ECOLOGY CORPORATION 401(K) SAVINGS  
AND RETIREMENT PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

NOTE 1 - DESCRIPTION OF PLAN

The following brief description of the American Ecology Corporation 401(k) Savings and Retirement Plan and Trust (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for complete information regarding the Plan's definitions, benefits, eligibility, and other matters.

GENERAL - The Plan is a defined contribution plan covering all employees of American Ecology Corporation and its subsidiaries (the Company) that have 90 days of service and are age eighteen or older. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Prior to January 1, 2003, all employees of the Company who had one year of service and were age eighteen or older were eligible to participate in the Plan. A year of service was defined as a 12-consecutive month period in which an employee completed at least 1,000 hours of service.

CONTRIBUTIONS - Each year, participants may defer up to 100 percent of their compensation as defined by the Plan, up to the maximum deferrable amount allowed by the Internal Revenue Service. Participants may elect to deposit their contributions in any of the investment options available. Participants may also contribute amounts representing distributions from other qualified plans. Participants direct the contributions into various investment options offered by the Plan. The Company contributes a discretionary matching contribution, which is determined by the Employer.

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For 2003 and 2002, the Company established the discretionary matching contribution for all participants equal to 55 percent of the amount of compensation deferred by each participant for the calendar quarter not exceeding 6 percent of compensation.

PARTICIPANT ACCOUNTS - Each participant's account is credited with the participant's elective deferral, the Company's matching contribution and an allocation of Plan earnings and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances as defined. Forfeitures of terminated participant's nonvested benefits are applied to pay administrative expenses and reduce the Company's future contributions to the Plan. At December 31, 2003, forfeited nonvested accounts totaled \$19,627. This amount will be used to reduce future employer contributions.

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AMERICAN ECOLOGY CORPORATION 401(K) SAVINGS  
AND RETIREMENT PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

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NOTE 1 - DESCRIPTION OF PLAN (Continued)

VESTING - The vesting schedule is as follows on Company matching contributions and actual earnings thereon:

Years of Service	Percentage of Vested Interest
1 year	20%
2 years	60%
3 years	100%

The Plan provides for participants to be 100% vested upon death, permanent disability or the attainment of age 65.

PARTICIPANT LOANS - Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The term of the loan will not exceed 5 years except in the case of a loan for the purpose of acquiring a primary residence. The term of the loan will be determined by the Administrator at the time the loan is made. The loans are secured by the balance in the participant's account and bear interest at a rate commensurate with local prevailing rates as determined by the Plan administrator. Interest rates range from 4.0% to 11.5%. Principal and interest is paid ratably through bi-weekly payroll deductions.

PAYMENT OF BENEFITS - Upon normal retirement or death, vested benefits due to participants and their beneficiaries may be paid in the form of either a lump-sum distribution or fixed period annuities.

RISK - Investment securities are exposed to various risks, such as interest rate, market, and credit risk. It is reasonably possible, given the level of risk associated with investment securities that changes in the near term

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could materially affect the investment amounts reported in the financial statements.

### NOTE 2 - SUMMARY OF ACCOUNTING POLICIES

USE OF ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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AMERICAN ECOLOGY CORPORATION 401(K) SAVINGS  
AND RETIREMENT PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

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### NOTE 2 - SUMMARY OF ACCOUNTING POLICIES (Continued)

INVESTMENT VALUATION AND INCOME RECOGNITION - The Plan's investments are stated at fair value except for its benefit-responsive investment contracts, which are valued at contract value (see Note 3). All other investments are carried at their fair value measured by quoted market prices.

Purchases and sales of securities are recorded on a trade-date basis. Dividends are recorded on the ex-dividend date. Investment income is recorded as earned.

PAYMENT OF BENEFITS - Benefits are recorded when paid.

### NOTE 3 - GUARANTEED INTEREST ACCOUNTS

In accordance with FASB statement No. 107, the fair values of the guaranteed interest accounts held by the Plan is as follows at December 31:

	2003	2002
	-----	-----
Guaranteed interest account with interest at rates of 6.50% to 6.90% as of December 31, 2002, maturing on December 31, 2002.	\$ -	\$27,653
Guaranteed interest account with interest at rates of 4.66% to 6.10% at December 31, 2003 and 4.10% to 6.10% as of December 31, 2002, maturing on December 31, 2003.	12,171	39,518
Guaranteed interest account with interest at rates of 3.65% to 4.10% as of December 31, 2003 and 3.63% to 4.35% as of December 31, 2002, maturing on December 31, 2004.	56,010	89,077

AMERICAN ECOLOGY CORPORATION 401(K) SAVINGS  
AND RETIREMENT PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

## NOTE 3 - GUARANTEED INTEREST ACCOUNTS (Continued)

	2003	2002
	-----	-----
Guaranteed interest account with interest at rates of 2.05% to 5.80% as of December 31, 2003 and 2.90% to 5.80% as of December 31, 2002, maturing on December 31, 2005.	\$16,990	\$1,389
Guaranteed interest account with interest at rates of 6.05% to 6.60% as of December 31, 2003 and 6.05% to 6.11% as of December 31, 2002, maturing on December 31, 2006.	1,216	1,072
Guaranteed interest account with interest at rates of 2.96% to 5.71% as of December 31, 2003 and 5.41% to 5.71% as of December 31, 2002, maturing on December 31, 2007.	916	846
Guaranteed interest account with interest at rates of 6.01% to 6.99% as of December 31, 2003 and 5.15% to 6.01% as of December 31, 2002, maturing on December 31, 2008.	230	215
Guaranteed interest account with interest at rates of 6.99% to 7.00% as of December 31, 2003 and December 31, 2002, maturing on December 31, 2009.	274	250
Guaranteed interest account with interest at a rate of 5.78% as of December 31, 2003 and December 31, 2002, maturing on December 31, 2010.	269	248
Guaranteed interest account with interest at rates of 4.90% as of December 31, 2003 and 4.98% to 5.55% as of December 31, 2002, maturing on December 31, 2011.	455	509
Guaranteed interest account with interest at rates of 3.60% to 4.00% as of December 31, 2003 and 4.2% as of December 31, 2002, maturing on December 31, 2012.	188	14

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NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002

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There are no reserves against the contract value for credit risk of the contract issues or otherwise.

NOTE 4 - INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets at December 31:

	2003	2002
	-----	-----
Manulife Lifestyle Balanced	\$1,131,271	\$ 663,635
Manulife Lifestyle Growth	1,531,265	1,190,640
Manulife Money Market	673,875	776,947
Manulife Lifestyle Conservative	275,279	580,968
MFC Excelsior Value and Restructuring Fund	441,958	303,625

NOTE 5 - PARTY-IN-INTEREST TRANSACTIONS

Certain Plan investments include pooled separate accounts, a money market account and guaranteed investment contracts that are managed by Manulife Financial and, therefore, these transactions qualify as party-in-interest transactions.

The Plan invested in company stock until this investment option was discontinued on November 28, 2003. American Ecology Corporation purchased back the company stock held in the Plan.

NOTE 6 - PLAN TERMINATION

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants would become 100 percent vested in their employer contributions.

NOTE 7 - INCOME TAX STATUS

The Plan obtained its latest determination letter on April 9, 2001 in which the Internal Revenue Service stated that the original Plan and all amendments through December 11, 2000, were in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving the determination letter. However, the Plan administrator believes the Plan as currently designed is being operated in compliance with the applicable requirements of the IRC.

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SUPPLEMENTAL INFORMATION  
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AMERICAN ECOLOGY CORPORATION 401(K) S  
 AND RETIREMENT PLAN AND  
 EIN: 95-3  
 PLAN NUMBE  
 DECEMBER 31

SCHEDULE H, LINE 4I - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

(a)	(b) Identity of issue	(c) Description	(d) Cost	(e) Current value
*	Manulife Lifestyle - Conservative	Pooled Separate Account	**	\$ 2
*	Manulife Lifestyle - Moderate	Pooled Separate Account	**	
*	Manulife Lifestyle - Balanced	Pooled Separate Account	**	1,1
*	Manulife Lifestyle - Growth	Pooled Separate Account	**	1,5
*	Manulife Lifestyle - Aggressive	Pooled Separate Account	**	3
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/03, 4.66% to 6.10%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/04, 3.65% to 4.10%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/05, 2.05% to 5.80%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/06, 6.05% to 6.60%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/07, 2.96% to 5.71%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/08, 6.01% to 6.99%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/09, 6.99% to 7.00%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/10, 5.78%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/11, 4.90%	**	
*	Manulife Guaranteed Interest Accounts	Maturing 12/31/12, 3.60% to 4.00%	**	
*	Manulife Money Market	Money Market	**	6
*	MFC Short-Term Federal	Pooled Separate Account	**	
*	MFC PIMCO Total Return Fund	Pooled Separate Account	**	1
*	MFC Salomon Brothers High Yield Fund	Pooled Separate Account	**	2
*	MFC T. Rowe Price Spectrum Income Fund	Pooled Separate Account	**	
*	Manulife Balanced Fund	Pooled Separate Account	**	
*	Manulife Equity Income Fund	Pooled Separate Account	**	
*	MFC T. Rowe Price Equity Income Fund	Pooled Separate Account	**	
*	MFC Davis New York Venture Fund	Pooled Separate Account	**	1
*	MFC Mutual Beacon Fund	Pooled Separate Account	**	
*	MFC Weitz Partners Value Fund	Pooled Separate Account	**	1
*	MFC Fidelity Advisor Div Growth Fund	Pooled Separate Account	**	2
*	MFC Franklin Balance Sheet Fund	Pooled Separate Account	**	1
*	MFC Mutual Discovery Fund	Pooled Separate Account	**	
*	MFC Domini Social Equity Fund	Pooled Separate Account	**	
*	MFC MFS Strategic Value Fund	Pooled Separate Account	**	
*	MFC T. Rowe Price Blue Chip Fund	Pooled Separate Account	**	1
*	Manulife Capital Growth Stock Fund	Pooled Separate Account	**	1
*	MFC Morgan Stanley Equity Growth Fund	Pooled Separate Account	**	
*	MFC Excelsior Value & Restructuring Fund	Pooled Separate Account	**	4
*	MFC Fidelity Contrafund	Pooled Separate Account	**	3
*	MFC Fidelity Advisor Large Cap Fund	Pooled Separate Account	**	
*	Manulife Growth Plus Stock Fund	Pooled Separate Account	**	1
*	MFC Prudential Jennison Growth Fund	Pooled Separate Account	**	
*	MFC Putnam Global Equity Fund	Pooled Separate Account	**	
*	MFC Janus Advisor Worldwide	Pooled Separate Account	**	
*	MFC Templeton Foreign Fund	Pooled Separate Account	**	

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*	MFC Templeton Foreign Small Company Fund	Pooled Separate Account	**
*	MFC Fidelity Advisor Overseas Fund	Pooled Separate Account	**