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paragraph (b)(1)(i) of this section, the cooperative agreement will provide that the Cooperating State Agency is eligible for payment of 25 percent of the costs of surveillance and monitoring and 25 percent of the costs of vaccine administration, as determined in the cooperative agreement.

(2) Transfer of vaccine under paragraph (a)(2) of this section must be accomplished through a cooperative agreement between the Cooperating State Agency and APHIS.

(c) Cooperating State Agencies will be responsible for making the determination to request Federal assistance under this part in the event of an outbreak of H5/H7 LPAI.

[71 FR 56323, Sept. 26, 2006, as amended at 75 FR 10656, Mar. 9, 2010]

§ 56.3 Payment of indemnity.

(a) *Activities eligible for indemnity.* The Administrator may pay indemnity for the activities listed in paragraphs (a)(1) through (a)(3) of this section, as provided in paragraph (b) of this section:

(1) Destruction and disposal of poultry that were infected with or exposed to H5/H7 LPAI;

(2) Destruction of any eggs destroyed during testing of poultry for H5/H7 LPAI during an outbreak of H5/H7 LPAI; and

(3) Cleaning and disinfection of premises, conveyances, and materials that came into contact with poultry that were infected with or exposed to H5/H7 LPAI; or, in the case of materials, if the cost of cleaning and disinfection would exceed the value of the materials or cleaning and disinfection would be impracticable for any reason, the destruction and disposal of the materials.

(b) *Percentage of costs eligible for indemnity.* Except for poultry that are described by the categories in paragraphs (b)(1) through (b)(3) of this section, the Administrator is authorized to pay 100 percent of the costs, as determined in accordance with § 56.4, of the activities described in paragraphs (a)(1) through (a)(3) of this section, regardless of whether the infected or exposed poultry participate in the Plan. For infected or exposed poultry that are described by the categories in paragraphs

(b)(1) through (b)(3) of this section, the Administrator is authorized to pay 25 percent of the costs of the activities described in paragraphs (a)(1) through (a)(3) of this section:

(1) The poultry are from a breeding flock that participates in any Plan program in part 145 of this chapter but that does not participate in the U.S. Avian Influenza Clean or the U.S. H5/H7 Avian Influenza Clean program of the Plan available to the flock in part 145 of this chapter; or

(2) The poultry are from a commercial flock or slaughter plant, but the flock or slaughter plant does not participate in the U.S. Avian Influenza Monitored program available to the commercial flock or slaughter plant in part 146 of this chapter; or

(3) The poultry are located in a State that does not participate in the diagnostic surveillance program for H5/H7 LPAI, as described in § 146.14 of this chapter, or that does not have an initial State response and containment plan for H5/H7 LPAI that is approved by APHIS under § 56.10, unless such poultry participate in the Plan with another State that does participate in the diagnostic surveillance program for H5/H7 LPAI, as described in § 146.14 of this chapter, and has an initial State response and containment plan for H5/H7 LPAI that is approved by APHIS under § 56.10.

(c) *Other sources of payment.* If the recipient of indemnity for any of the activities listed in paragraphs (a)(1) through (a)(3) of this section also receives payment for any of those activities from a State or from other sources, the indemnity provided under this part will be reduced by the total amount of payment received from the State or other sources.

[71 FR 56323, Sept. 26, 2006, as amended at 75 FR 10657, Mar. 9, 2010; 76 FR 15792, Mar. 22, 2011; 76 FR 65935, Oct. 25, 2011]

§ 56.4 Determination of indemnity amounts.

(a) *Destruction and disposal of poultry.*
(1) Indemnity for the destruction of poultry infected with or exposed to H5/H7 LPAI will be based on the fair market value of the poultry, as determined by an appraisal. Poultry infected with

or exposed to H5/H7 LPAI that are removed by APHIS or a Cooperating State Agency from a flock will be appraised by an APHIS official appraiser and a State official appraiser jointly, or, if APHIS and State authorities agree, by either an APHIS official appraiser or a State official appraiser alone. For laying hens, the appraised value should include the hen's projected future egg production. Appraisals of poultry must be reported on forms furnished by APHIS and signed by the appraisers and must be signed by the owners of the poultry to indicate agreement with the appraisal amount. Appraisals of poultry must be signed by the owners of the poultry prior to the destruction of the poultry, unless the owners, APHIS, and the Cooperating State Agency agree that the poultry may be destroyed immediately. Reports of appraisals must show the number of birds and the value per head.

(2) Indemnity for disposal of poultry infected with or exposed to H5/H7 LPAI will be based on receipts or other documentation maintained by the claimant verifying expenditures for disposal activities authorized by this part. Any disposal of poultry infected with or exposed to H5/H7 LPAI for which indemnity is requested must be performed under a compliance agreement between the claimant, the Cooperating State Agency, and APHIS. APHIS will review claims for indemnity for disposal to ensure that all expenditures relate directly to activities described in § 56.5 and in the initial State response and containment plan described in § 56.10. If disposal is performed by the Cooperating State Agency, APHIS will indemnify the Cooperating State Agency for disposal under a cooperative agreement.

(3) The destruction and disposal of the indemnified poultry must be conducted in accordance with the initial State response and containment plan for H5/H7 LPAI, as described in § 56.10.

(b) *Destruction of eggs.* Indemnity for eggs destroyed during an outbreak for testing for H5/H7 LPAI will be based on the fair market value of the eggs, as determined by an appraisal. Eggs destroyed for testing for H5/H7 LPAI will be appraised by an APHIS official appraiser and a State official appraiser

jointly, or, if APHIS and State authorities agree, by either an APHIS official appraiser or a State official appraiser alone. Appraisals of eggs must be reported on forms furnished by APHIS and signed by the appraisers and must be signed by the owners of the eggs to indicate agreement with the appraisal amount. Appraisals of eggs must be signed by the owners of the eggs prior to the destruction of the poultry, unless the owners, APHIS, and the Cooperating State Agency agree that the eggs may be destroyed immediately. Reports of appraisals must show the number of eggs and the value per egg.

(c) *Cleaning and disinfection.* (1) Indemnity for cleaning and disinfection of premises, conveyances, and materials that came into contact with poultry that are infected with or exposed to H5/H7 LPAI will be based on receipts or other documentation maintained by the claimant verifying expenditures for cleaning and disinfection activities authorized by this part. Any cleaning and disinfection of premises, conveyances, and materials for which indemnity is requested must be performed under a compliance agreement between the claimant, the Cooperating State Agency, and APHIS. APHIS will review claims for indemnity for cleaning and disinfection to ensure that all expenditures relate directly to activities described in § 56.5 and in the initial State response and containment plan described in § 56.10.

(2) In the case of materials, if the cost of cleaning and disinfection would exceed the value of the materials or cleaning and disinfection would be impracticable for any reason, indemnity for the destruction of the materials will be based on the fair market value of those materials, as determined by an appraisal. Materials will be appraised by an APHIS official appraiser and a State official appraiser jointly, or, if APHIS and State authorities agree, by either an APHIS official appraiser or a State official appraiser alone. Indemnity for disposal of the materials will be based on receipts or other documentation maintained by the claimant verifying expenditures for disposal activities authorized by this part. Appraisals of materials must be reported on forms furnished by APHIS and

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signed by the appraisers and must be signed by the owners of the materials to indicate agreement with the appraisal amount. Appraisals of materials must be signed prior to the destruction of the materials, unless the owners, APHIS, and the Cooperating State Agency agree that the materials may be destroyed immediately. Any disposal of materials for which indemnity is requested must be performed under a compliance agreement between the claimant, the Cooperating State Agency, and APHIS. APHIS will review claims for compensation for disposal to ensure that all expenditures relate directly to activities described in § 56.5 and in the initial State response and containment plan described in § 56.10.

(d) *Requirements for compliance agreements.* The compliance agreement is a comprehensive document that describes the depopulation, disposal, and cleaning and disinfection plans for poultry that were infected with or exposed to H5/H7 LPAI, or a premises that contained such poultry. The compliance agreement sets out APHIS responsibilities, owner responsibilities, and Cooperating State Agency responsibilities. The compliance agreement must include the owner's name and the name and address of the affected premises. The compliance agreement must have signatories that include, but are not necessarily limited to, the owner, the grower (if applicable), the Cooperating State Agency representative, the State veterinarian, and the APHIS area supervisor. In addition, the compliance agreement must contain a flock plan with estimated cost breakdowns that include labor, materials, personal protective equipment, travel expenses for personnel involved, and any additional information deemed necessary by the Service. A signed compliance agreement is required before beginning any work for which indemnity funds will be requested. Once work associated with the compliance agreement is completed, receipts and documentation detailing the activities specified in the agreement should be forwarded to APHIS for review, approval, and final payment. This documentation should be submitted to APHIS no later than 30 days after the

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quarantine release of the affected or exposed premises.

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[71 FR 56323, Sept. 26, 2006, as amended at 75 FR 10657, Mar. 9, 2010; 79 FR 38753, July 9, 2014]

§ 56.5 Destruction and disposal of poultry and cleaning and disinfection of premises, conveyances, and materials.

(a) *Destruction of poultry.* Poultry that are infected with or exposed to H5/H7 LPAI may be required to be destroyed at the discretion of the Cooperating State Agency and APHIS and in accordance with the initial State response and containment plan described in § 56.10. The Cooperating State Agency and APHIS will select a method to use for the destruction of such poultry based on the following factors:

- (1) The species, size, and number of the poultry to be destroyed;
- (2) The environment in which the poultry are maintained;
- (3) The risk to human health or safety of the method used;
- (4) Whether the method requires specialized equipment or training;
- (5) The risk that the method poses of spreading the H5/H7 LPAI virus;
- (6) Any hazard the method could pose to the environment;
- (7) The degree of bird control and restraint required to administer the destruction method;
- (8) The speed with which destruction must be conducted; and
- (9) Consistency of the method with humane euthanasia guidelines.

(b) *Disposal of poultry.* Carcasses of poultry that have died from H5/H7 LPAI infection or poultry that have been humanely slaughtered to fulfill depopulation requirements must be disposed of promptly and efficiently in accordance with the initial State response and containment plan described in § 56.10 to prevent the spread of H5/H7 LPAI infection. Disposal methods will be selected by the Cooperating State Agency and APHIS and may include one or more of the following: Burial, incineration, composting, or rendering. Regardless of the method used, strict biosecurity procedures must be implemented and enforced for all personnel