

necessary to carry out an emergency program, without regard to the entity or individual that provides the resources or the manner in which they are provided.

**Federal base percentage.** The initial percentage share of emergency program costs the Secretary is authorized to pay in connection with an emergency involving a pest or disease of livestock.

**OMB.** The Office of Management and Budget of the United States Government.

**Secretary.** The Secretary of Agriculture of the United States or any officer or employee of the United States Department of Agriculture authorized to act for the Secretary.

**State.** Each of the States of the United States, the District of Columbia, Puerto Rico, the Northern Mariana Islands, Guam, and the Virgin Islands of the United States, or any other territory or possession of the United States.

#### **§ 60.2 Priority pests and diseases of livestock.**

The Administrator may identify certain pests and diseases of livestock as priority pests and diseases of livestock. In making such an identification, the Administrator shall consider the degree of contagion and the human health and market effects of the pest or disease of livestock and other relevant factors. The Administrator may notify the public from time to time, through publication of a list in the **Federal Register**, of the priority pests and diseases of livestock.

#### **§ 60.3 Federal share of emergency program costs.**

(a) **General.** In connection with an emergency involving a pest or disease of livestock and upon agreement of the States or political subdivisions of States, domestic organizations or associations, Indian tribes, or other persons to participate in an emergency program, the Secretary may pay, subject to the availability of funding, emergency program costs as provided in paragraph (b) of this section. Unless the Secretary determines that payments for a longer period are necessary, such payments may be made for no more than 10 years for any emergency program, or, for emergency programs begun prior to [effective date of final rule] for no more than 5 years after that date. However, if the same pest or disease of livestock occurs in a location that is geographically separate from the original outbreak, or reoccurs in the area of the original outbreak following a prescribed time period after eradication is completed, as determined by a USDA scientific assessment, then it could be considered a new outbreak and subject

to new cost-sharing and program duration requirements.

(b) **Determining Federal share of costs.** In connection with an emergency involving a pest or disease of livestock, the Secretary may make payments of Federal funds of up to 50 percent (*i.e.*, Federal base percentage) of emergency program costs. Further, the Secretary, in consultation with OMB, may increase or decrease the Federal share of emergency program costs relative to the Federal base percentage as follows:

(1) **Timing of program and its effect on total program costs.** If the Secretary determines that a higher level of Federal involvement in the early stages of an emergency program would lead to lower total emergency program costs, then the Secretary, in consultation with OMB, may increase the Federal share of emergency program costs by up to 30 percent above the Federal base percentage during the first 8 months after commencement of the emergency program, or, alternatively, may increase the Federal share of emergency program costs by up to 15 percent above the Federal base percentage from the ninth month through the 24th month after commencement of the emergency program.

(2) **The extent of affected versus nonaffected areas.** If the Secretary determines that the area or value of resources at risk in the United States is at least 10 times greater than the area or value of resources covered by the emergency program, then the Secretary, in consultation with OMB, may increase the Federal share of emergency program costs by up to 20 percent above the Federal base percentage. The area or value of resources at risk in the United States includes those areas where the pest or disease of livestock could spread within 1 year in the absence of any action to control or eradicate the pest or disease.

(3) **Lack of financial resources.** If the Secretary determines that a State or other cooperator lacks the financial resources required to cover its share of emergency program costs, or lacks the capability to quickly access those resources, then the Secretary, in consultation with OMB, may increase the Federal share of emergency program costs by up to 10 percent above the Federal base percentage during the first 24 months after commencement of the emergency program. To qualify for this additional Federal funding, the cooperator must demonstrate either that a funding body, such as the State legislature, is unable to meet in time to provide the necessary resources, or that the affected State or local area is

experiencing a significant and unexpected reduction in resources.

(4) **Commercial interest.** If the Secretary determines that the pest or disease of livestock directly affects one or more State commercial interests within the area covered by the emergency program, then the Secretary, in consultation with OMB, may reduce the Federal share of emergency program costs by up to 3 percent under the Federal base percentage.

(5) **Priority pests or diseases of livestock.** If the emergency involves a priority pest or disease of livestock, as provided in § 60.2 of this part, then the Secretary, in consultation with OMB, may pay up to 100 percent of the total emergency program costs authorized under this part during the first 24 months after commencement of the emergency program.

(6) **Certain emergency program activities.** The Secretary may determine, in consultation with OMB and the cooperating entities listed in paragraph (a) of this section, that an emergency program or certain activities within that emergency program be excluded from the percentage calculations provided in this paragraph, or, alternatively, be subject to a different Federal share of emergency program costs.

(7) **Percentages are cumulative.** Any applicable percentage changes to the Federal share of emergency program costs, as provided in paragraphs (b)(1) through (b)(6) of this section, may be cumulative, but may not exceed 100 percent of total emergency program costs authorized under this part.

(8) **Payment of compensation.** If the emergency program includes the payment of compensation, then the cost-sharing percentage will be applied either to the emergency program costs in total (including payments of compensation) or to the compensation and non-compensation components separately, at the discretion of the Secretary.

(c) **Periodic review.** The Federal share of emergency program costs, as determined under paragraph (b) of this section, is subject to periodic review by the Secretary, in consultation with OMB, as conditions warrant.

#### **§ 60.4 Shortfall in obligations and other funding adjustments.**

(a) The cost allocation assigned to the Federal Government and each cooperator is to be based on cumulative funding over the duration of the emergency program. Should the Federal Government or any cooperator fail to provide adequate program funding to meet their funding obligation for a given year, then such funding shortfall must