

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 cost of destruction and disposal for the materials.

(Approved by the Office of Management and Budget under control number 0579-0007)

[71 FR 56323, Sept. 26, 2006, as amended at 75 FR 10657, Mar. 9, 2010]

#### § 56.7 Mortgage against poultry or eggs.

When poultry or eggs have been destroyed under this part, any claim for indemnity must be presented on forms furnished by APHIS. The owner of the poultry or eggs must certify on the forms that the poultry or eggs covered are, or are not, subject to any mortgage as defined in this part. If the owner states there is a mortgage, the owner and each person holding a mortgage on the poultry or eggs must sign the APHIS-furnished form, consenting to the payment of indemnity to the person specified on the form.

(Approved by the Office of Management and Budget under control number 0579-0007)

[71 FR 56323, Sept. 26, 2006, as amended at 75 FR 10657, Mar. 9, 2010]

#### § 56.8 Conditions for payment.

(a) When poultry or eggs have been destroyed pursuant to this part, the Administrator may pay claims to any party with which the owner of the poultry or eggs has entered into a contract for the growing or care of the poultry or eggs. The indemnity the Administrator may pay to such a party or parties shall be determined as follows:

(1) Divide the value of the contract the owner of the poultry or eggs entered into with another party for the growing and care of the poultry or eggs in dollars by the duration of the contract as it was signed prior to the H5/H7 LPAI outbreak in days;

(2) Multiply this figure by the time in days between the date the other party began to provide services relating to the destroyed poultry or eggs under the contract and the date the poultry or eggs were destroyed due to H5/H7 LPAI.

(b)(1) If indemnity for the destroyed poultry or eggs is being provided for 100 percent of eligible costs under § 56.3(b),

the Administrator may pay contractors eligible for compensation under this section 100 percent of the indemnity determined in paragraph (a) of this section.

(2) If indemnity for the destroyed poultry or eggs is being provided for 25 percent of eligible costs under § 56.3(b), the Administrator may pay contractors eligible for compensation under this section 25 percent of the indemnity determined in paragraph (a) of this section.

(c) If a contractor receiving indemnity under this section has received any payment under his or her contract from the owner of the poultry or eggs at the time the poultry or eggs are destroyed, the amount of indemnity for which the contract grower is eligible will be reduced by the amount of the payment the contract grower has already received.

(d) If indemnity is paid to a contractor under this section, the owner of the poultry or eggs will be eligible to receive the difference between the indemnity paid to the growers and the total amount of indemnity that may be paid for the poultry or eggs.

(e) In the event that determination of indemnity to a party with which the owner of destroyed poultry or eggs has entered into a contract for the growing or care of the poultry or eggs using the method described in paragraph (a) of this section is determined to be impractical or inappropriate, APHIS may use any other method that the Administrator deems appropriate to make that determination.

[71 FR 56323, Sept. 26, 2006, as amended at 75 FR 10657, Mar. 9, 2010]

#### § 56.9 Claims not allowed.

(a) The Department will not allow claims arising out of the destruction of poultry unless the poultry have been appraised as prescribed in this part and the owners have signed the appraisal form indicating agreement with the appraisal amount as required by § 56.4(a)(1).

(b) The Department will not allow claims arising out of the destruction of poultry unless the owners have signed a written agreement with APHIS in which they agree that if they maintain poultry in the future on the premises