

primarily upon the total amount of State assistance funds available to FEMA annually, the number of eligible States, and a nationally standardized comparison of these States' seismic hazard and population-at-risk. The target allocation is not necessarily the amount of funding that a State will actually receive from FEMA. Rather, it represents a planning basis of negotiations between the State and its FEMA Regional Office which will ultimately determine the actual amount of earthquake State assistance to be provided by FEMA.

§ 361.3 Project description.

(a) An objective of the Earthquake Hazards Reduction Act is to develop, in areas of seismic risk, improved understanding of and capability with respect to earthquake-related issues, including methods of mitigating earthquake damage, planning to prevent or minimize earthquake damage, disseminating warnings of earthquakes, organizing emergency services, and planning for post-earthquake recovery. To achieve this objective, FEMA has implemented an earthquake hazards reduction assistance program for State and local governments in seismic risk areas.

(b) This assistance program provides funding for earthquake hazards reduction activities which are eligible according to the definition in § 361.2. The categories, or program elements, listed therein comprise a comprehensive earthquake hazards reduction project for any given seismic hazard area. Key aspects of each of these elements are as follows:

(1) *Mitigation* involves developing and implementing strategies for reducing losses from earthquakes by incorporating principles of seismic safety into public and private decisions regarding the siting, design, and construction of structures (i.e., updating building and zoning codes and ordinances to enhance seismic safety), and regarding buildings' nonstructural elements, contents and furnishings. Mitigation includes preparing inventories of and conducting seismic safety inspections of critical structures and lifelines, and developing plans for identifying and retrofitting existing struc-

tures that pose threats to life or would suffer major damage in the event of a serious earthquake.

(2) *Preparedness/response planning* are closely related and usually considered as one comprehensive activity. They do differ, however, in that preparedness planning involves those efforts undertaken before an earthquake to prepare for or improve capability to respond to the event, while response planning can be defined as the planning necessary to implement an effective response once the earthquake has occurred. Preparedness/response planning usually considers functions related to the following:

- (i) Rescue and fire services;
- (ii) Medical services;
- (iii) Damage assessments;
- (iv) Communications;
- (v) Security;
- (vi) Restoration of lifeline and utility services;
- (vii) Transportation;
- (viii) Sheltering, food and water supplies;
- (ix) Public health and information services;
- (x) Post-disaster recovery and the return of economic stability;
- (xi) Secondary impacts, such as dam failures, toxic releases, etc.; and
- (xii) Organization and management.

(3) *Public awareness/earthquake education* activities are designed to increase public awareness of earthquakes and their associated risks, and to stimulate behavioral changes to foster a self-help approach to earthquake preparedness, response, and mitigation. Audiences that may be targeted for such efforts include:

- (i) The general public;
- (ii) School populations (administrators, teachers, students, and parents);
- (iii) Special needs groups (e.g., elderly, disabled, non-English speaking);
- (iv) Business and industry;
- (v) Engineers, architects, builders;
- (vi) The media; and
- (vii) Public officials.

(4) *Other Activities* in support of those listed in § 361.3(b)(1), (b)(2), and (b)(3) may include, but are not limited to, State seismic advisory boards which provide State and local officials responsible for implementing earthquake hazards reduction projects with expert

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advice in a variety of fields; hazard identification which defines the potential for earthquakes and their related geological hazards in a particular area; and vulnerability assessments, also known as loss estimation studies, which provide information on the impacts and consequences of an earthquake on an area's resources, as well as opportunities for earthquake hazards mitigation.

(c) State eligibility for financial assistance to States under this section is determined by FEMA based on a combination of the following criteria:

(1) Seismic hazard, including the historic occurrence of damaging earthquakes, as well as probable seismic activity;

(2) Total population and major urban concentrations exposed to such risk; and

(3) Other factors, the loss, damage, or disruption of which by a severe earthquake would have serious national impacts upon national security, such as industrial concentrations, concentrations or occurrences of natural resources, financial/economic centers and national defense facilities.

(d) Each fiscal year, FEMA will establish a target allocation of earthquake program funds for each eligible State.

(e) The specific activities, and the distribution of funds among them, that will be undertaken with this assistance will be determined during the annual Comprehensive Cooperative Agreement (CCA) negotiations between FEMA and the State, and will be based upon the following:

(1) The availability of information regarding identification of seismic hazards and vulnerability to those hazards;

(2) Earthquake hazards reduction accomplishments of the State to date;

(3) State and Federal priorities for needed earthquake hazards reduction activities; and

(4) State and local capabilities with respect to staffing, professional expertise, and funding.

(f) As a condition of receiving FEMA funding, a percentage of the amount of the total State project (FEMA State assistance, combined with the State match) must be spent for activities

under the Mitigation Planning element. The percentage, to be determined by FEMA, may be increased by no more than 5 percent annually, beginning at 15 percent in fiscal year 1991 with a limit of 50 percent of the total State project. The increase will take into account the amount of time a State has been participating in the program. States may expend more than the required percentage of funding on eligible mitigation activities.

(g) The State match may be distributed among the eligible activities in any manner that is mutually agreed upon by FEMA and the State in the CCA negotiations.

(h) Negotiations between FEMA and the State regarding the scope of work and the determination of the amount of State assistance to be awarded shall consider earthquake hazards reduction activities previously accomplished by the State, as well as the quality of their performance.

§ 361.4 Matching contributions.

(a) All State assistance will be cost shared after the first year of funding. States which received a grant before October 1, 1990, which included the 50 percent non-Federal contribution to the State program, will continue to match the Federal funds on a 50 percent cash match basis.

(b) States which did not receive a grant before October 1, 1990, will assume cost sharing on a phased-in basis over a period of four years with the full cost sharing requirements being implemented in the fourth year. The sequence is as follows:

(1) For the first fiscal year, cost sharing will be voluntary. FEMA will provide State assistance without requiring a State match. Those States that are able to cost-share are encouraged to do so (on either a cash or in-kind basis).

(2) For the second fiscal year, the minimum acceptable non-Federal contribution is 25 percent of the total project cost, which may be satisfied through an in-kind contribution. Those States that are able to cost-share on a cash-contribution basis are encouraged to do so.

(3) For the third fiscal year, the minimum acceptable non-Federal contribution is 35 percent of the total project