**Proposed Best Practice**

**Best Practice**

**High Tech Corporation is Ready for the Next Big Earthquake**

**High Tech Earthquake Preparedness**

*Tyco Electronics Division (formerly Raychem Corporation)*

**Description**

Tyco Electronics Division *(formerly Raychem Corporation)*, a manufacturer of electronic components located in Menlo Park, California has taken and is continuing to take actions that prepare their operations for minimizing property damage and business interruption in the event of a major Bay Area earthquake.

**Problem:**

Tyco’s Electronic Division is located along the San Francisco Peninsula’s Bay margins in two campuses each consisting of multiple buildings each. The buildings are of various construction types and vintages many were located in vintages, with many being concrete tilt-up structures constructed circa the 1950’s and 60’s. *In the early 1980’s* Division managers recognized the high vulnerability of their campus operations to significant downtime and business interruption in the event of a major Bay Area earthquake.

**Solution**

Division management assembled a long-term seismic risk management program, which over the past 15 years has dramatically reduced the Division’s exposure to earthquake hazards. The multifaceted program has been multifaceted including evaluating and reducing the risk of their existing facilities, controlling the vulnerability of new facilities and managing post-earthquake response and recovery. *This program was begun prior to the 1989 Loma Prieta earthquake, and has since evolved to include lessons learned in the 1994 Northridge and 1995 Kobe Earthquakes. The program is ongoing.*

**Examples**

The following are tasks undertaken by Tyco Electronics to managing their seismic risk included:

- **Performed a Preliminary** seismic risk assessment of all Division buildings and operations.
- **Performed a Detailed** investigation of the potential for liquefaction at Division properties.
- **Ranked all the** buildings in terms of risk and importance to the Division operations.
- **Implemented a Systematic program of** evaluating facilities of high risk and high importance.

**Corporate Seismic Risk Management Program**
• Strengthened over time buildings of high risk and high importance.
• Creation of Developed seismic criteria for the design of new buildings
• Trained facility personnel in recognizing high-risk content situations, and methods to reduce those risks.
• Transitioned out of high-risk buildings over time by not renewing leases, selling or demolition.
• Anchored critical equipment.
• Developed and maintain Emergency Response and Recovery Plans.

Resources
Funding was placed in annual budgets funding forecasts included in 5-year plans. Considerable savings in premiums were achieved through reduced need for earthquake insurance coverage due to lower seismic exposure. This savings will continue in the future. Staff has been trained for preparedness and for maintaining the program as a priority. Geotechnical, seismic and structural consultants were retained to evaluate vulnerabilities, develop upgrades and perform staff training.

Adaptability/Sustainability
The steps taken by Tyco Electronics can be easily followed by other corporations who plan for long-term profit and growth while operating in a setting prone to occasional large earthquakes. The commitment of upper management including the Board of Directors, CEO, CFO, Risk Manager and Facility Manager is required to commit to the long-term program of understanding and managing seismic risk. The result is significant long-term financial benefits, through dramatically reduced property and casualty insurance premiums, while still providing stockholder assurance that physical assets and cash flow exposure to a major earthquake event has been minimized.