

Port of Chicago – Pipeline



U.S. Customs and
Border Protection

Pipeline 07- 04
January 11, 2007

To: Customhouse Brokers, Importers, and Others Concerned

Subject: Marine Terminal Operator Bond Requirement

Recently, CBP has detected instances where cargo targeted for terrorism or enforcement reasons is released from Customs and Border Protection (CBP) custody without authorization or examination.

Civil monetary penalties may be assessed under the provisions of 19 U.S.C. 1595a(b) for the introduction of articles into the U.S. contrary to law against every person who is in any way concerned with these violations. Terminal operators and carriers have been found to be culpable in these situations. In order to ensure compliance with laws that prohibit delivery of merchandise without CBP authorization, terminal operators will be required to post bonds, if they do not already hold an international carrier bond.

Specific instructions were published in the CBP Bulletin dated December 20, 2006 notifying all marine terminal operators at ports of entry who engage in commerce with containers and cargo arriving from foreign ports, except those operators who handle bulk cargo exclusively, to post a Marine Terminal Operator bond if they do not already hold a valid international carrier bond. The specific instructions require the posting of a bond within 30 days of the date of publication, therefore the effective date as stated in the CBP Bulletin is January 20, 2007. The Marine Terminal Operator bond must be filed at the port where the affected terminal is located. If a Marine Terminal Operator has facilities at more than one port, the bond may be filed at any port where the operator has a facility. Separate bonds will not be required for each facility.

The minimum bond amount is \$100,000 and the maximum is \$500,000. Terminal operators will receive a letter demanding a bond in an amount set by the port director.

Marine terminal operators who have not obtained an international carrier bond or a terminal operator bond within 30 days of the publication of the special instruction will not be permitted to handle international container shipments.

Extension requests

CBP understands that marine terminal operators owned by foreign corporations may have difficulty obtaining a bond by the effective date of the notice. On a case-by-case basis, the port director may grant an extension, provided that we

have received confirmation from the surety company that the foreign-owned terminal operator has applied for a bond and the delay is caused by the surety's need to verify financial information for the foreign-owned terminal operator.

For terminals without a bond, they may either apply for an international carrier bond via a CBP Form 301, or Marine Terminal Operator bond application, which can be obtained electronically by request.

If a terminal operator has a current valid international carrier bond, that bond amount will not change, however, at the discretion of CBP it may be reviewed for sufficiency. Any Marine terminal bond that is less than \$100,000 should be reviewed immediately for bond sufficiency to determine whether a demand to increase the bond should occur prior to the renewal date. All Marine Terminal Operator bond amounts will be monitored by CBP Headquarters to ensure uniformity.

Please feel free to contact Theresa Gilbert, Entry Supervisor at 847-928-2761 or Mary Aikens, Entry Officer at 847-928-6072 if you require additional clarification regarding these guidelines.

Carl Ambrosion
Area Port Director