



**DEPARTMENT OF THE TREASURY
U. S. CUSTOMS SERVICE**

PORT OF CHICAGO PIPELINE

NO. 99-10

February 26, 1999

TO : Customhouse Brokers, Importers, Carriers, Bonded Warehouse Proprietors, CES Operators, CFS Operators and Others Concerned

SUBJECT: Applications for Centralized Examination Stations for the Port of Chicago

The selection process for Centralized Examination Stations in the Port of Chicago is being reopened. This pipeline provides guidelines for the application process. The agreements with the present CES operators are due to expire in October, 1999.

The application and selection process will be in accordance with the most recent Centralized Examination Station regulations, Section 118, Customs Regulations, effective February 22, 1993. The selections will be for a period of six years.

Those parties wishing to be considered for designation as a CES should submit their applications to the Port Director by April 30, 1999. Also, at this time the Port of Chicago would like to solicit any comments or suggestions from the trade community regarding improving the CES program. Any comments must be submitted in writing within 30 days of this announcement. At the end of the 60-day application period, Customs will publish a list of applicants, including applicant names, facility addresses, fee schedules, equipment and numbers of employees. At that time the public will again have a 30-day period in which to comment. At the end of that period, all applications and comments will be reviewed and evaluated by U.S. Customs and a selection will be made. Applications and comments should be addressed to the following address:

U.S. Customs Service
2571 Busse Road, Suite 306
Elk Grove Village, IL 60007
Attn: CES Coordinator

It should be noted that existing CES Operators must reapply to be considered.

All applicants must be able to adhere to all the provisions of 19 CFR 118.4 and meet

following *minimum* criteria to be considered as a CES:

1. The applicant must have an operation that shows the ability to handle large volumes of cargo. The operator will have sufficient manpower in the warehouse to expeditiously off-load, present, reseal and reload freight to be examined. All equipment such as examination tables, hand trucks, pallet jacks, tools and tape are the responsibility of the operator.
2. Customs currently performs an average of 75 import and export examinations per day that require the devanning of ocean containers and LCL shipments. In the past, this workload has increased during peak arrival periods or special operations. A facility must have sufficient floor space and cargo bay doors to handle this workload in a required turn-around time. Each cargo door should have enough floor queuing space adjacent to it to allow complete devanning of a container, and provide sufficient room to examine the cargo. Electrical outlets should be easily accessible for use of power tools and other equipment.

The facility must also have separate office space for Customs personnel and equipment. The Customs office area should be adjacent to the devanning area. Improved facility equipment for lighting and indoor temperature control and ventilation will also be considered when reviewing the applications. Sanitary lavatories, potable water and parking for Customs vehicles and Customs employees' vehicles must be provided by the operator. The operator will be responsible for general housekeeping and maintenance of the facility. The facility must meet all fire, safety and building codes and should be covered by adequate casualty and liability insurance.

3. The facility must include a fenced-in yard for securing containers pending Customs examination or delivery subsequent to authorized release.
4. The facility must be capable of accommodating the examination of perishable cargo and other cargo that requires special handling. A facility with a cooler unit capable of handling refrigerated cargo during devans would be beneficial to importers and Customs. In addition, a facility must be able to accommodate export examinations and coordinate the destruction and appropriate disposal of redelivered merchandise refused entry into the U.S. by Customs or other federal agencies.
5. The applicant must be willing to accept and store General Order merchandise and be responsible for the related documentation and recordkeeping.
6. The facility must meet cargo security standards as delineated in T.D. 72-56 and have sufficient securable space for the temporary storage of detained or seized merchandise.

7. Normal hours of service for CESs will be 8:30 AM to 5:00 PM, Monday through Friday. In addition, Customs personnel must be able to access CES facilities 24 hours per day, seven days per week.

8. The operator will act as a neutral party at all times providing equitable service to users on a first-come first-served basis. For control purposes, records must be kept on all arriving and examined cargo notating date and time.

Each application must contain information as required in 19 CFR 118.11, and as specified in the following list. Any application not providing all of the specified information will *not* be considered.

A. The name and address of the facility to be operated as the CES, the names, dates of birth and social security numbers (providing social security numbers is voluntary; however, failure to do so may hinder the investigation process) of all principals or corporate officers, and the name and telephone number of the individual to be contacted for more information;

B. A description of the site's accessibility within the port and a floor plan of the facility actually dedicated to the CES operation showing bay doors, office space, exterior features, security features, and staging and work space;

C. A schedule of fees clearly showing what the applicant will charge for each type of service such as:

- ❖ Container charges for a full devan and reload, partial devan and reload, and for opening and closing a container only.
- ❖ LCL freight charges, *i.e.*, cartons, crates, pallets, bales and drums
- ❖ Special commodities such as Garment on Hanger
- ❖ Drayage charges for moving container to CES
- ❖ Facility charges for enforcement examinations performed with Customs labor only
- ❖ Container storage charges
- ❖ Charges for refrigerated container hookups
- ❖ Any additional charges, *i.e.* overtime or weekend rates

The fees set forth in the schedule shall be comparable to fees charged for similar services in the area to be served by the CES.

D. A detailed list of equipment showing that the applicant can make a diverse variety of cargo available for examination in an efficient and timely manner. If state of the art cargo handling equipment is to be employed, please include all relevant specifications.

E. A copy of an approved custodial bond for a Container Freight Station on a Customs

Form 301 in the amount of \$200,000. If the applicant does not possess such a bond, a completed Customs Form 301 must be included with the application for approval as a prerequisite to selection.

F. A list of all employees involved with the CES operation including names, dates of birth and social security numbers. (Providing social security numbers is voluntary; however, failure to do so may hinder the investigation process.)

G. Any information that demonstrates the applicant's experience in international cargo operations and knowledge of Customs procedures and regulations.

H. A statement indicating a willingness to accept and store General Order merchandise, and be responsible for the related documentation and recordkeeping.

I. Applicants must provide their procedures for the detection, decontamination and removal of hazardous material (HAZMAT).

J. The applicant must agree to comply fully with the requirements of the Service Contract Act of 1965, as amended, and the regulations of the Secretary of Labor (29 CFR Part 4) which refer to the classes of service employees expected to be employed and wages and fringe benefits payable to each if they were employed by the contracting agency.

Any false statement on the application may result in disqualification and possible prosecution under the provisions of 18 USC 1001.

Upon receipt of the applications, they will be reviewed and evaluated. Appointments will be made with the applicants to visit the facilities by Customs to determine the suitability of the facility as a potential CES.

If selected, the applicant must sign a written Agreement with the U.S. Customs Service before commencing operations. This Agreement is comprehensive in scope and clearly states the responsibilities of a CES operator. Amendments or modifications to this Agreement may be made upon written consent of all parties to the Agreement. Revocation of selection may also be made pursuant to 19 CFR 118.21.

A copy of 19 CFR 118 is available at the U.S. Customs Office at CenterPoint Business Center, located at 2571 Busse Road, Suite 306, Elk Grove Village, IL 60007, or by writing to U.S. Customs, Attn: CES Coordinator, at the same address.

Questions regarding this Pipeline can be directed to Chief Inspector Carl Ambroson at 847 616-4060 ex. 183 or Supervisory Inspector Mary McCarthy at 847 616-4060 ex. 111.

Robert Parsons
(Acting) Port Director