

# Area Port of Philadelphia



**U.S. Customs and  
Border Protection**

**Pipeline 2012-001**

**Date January 26, 2012**

**SUBJECT:** Philadelphia Port of Entry Centralized Examination Station (CES)  
Announcement and Selection Process for the Philadelphia seaport.

## **PURPOSE:**

This bulletin is notification that applications for a Centralized Examination Station(s) in the Philadelphia Port of Entry, Philadelphia, Pennsylvania, are now being accepted by U.S. Customs and Border Protection (CBP).

The Port of Philadelphia is seeking to establish one or more Centralized Examination Stations for international ocean freight due to the termination of the existing CES agreement.

## **DEADLINES**

Applications to operate a Centralized Examination Station must be received by close of business on March 26, 2012 (60 calendar days from the date of this public notice).

Any interested party will have thirty (30) calendar days from the date of the Public Bulletin to submit written comments for the Port Director's consideration as specified in 19 CFR 118.12.

## **BACKGROUND:**

A CES is a privately operated facility where import/export cargo is made available for CBP for physical inspection. The applicant(s) selected as CES operator(s) will perform cargo devanning and reloading for compliance, enforcement, fraud, outbound and anti-smuggling examinations/inspections.

A CES operator must maintain a copy of an approved custodial bond on Customs Form 301 in the amount of \$100,000 or greater. The actual amount of the bond will be determined by the Port Director.

On January 22, 1993, the Federal Register published a final rule amending Chapter 19 of the Code of Federal Regulations (CFR) by enacting 19 CFR 118, Centralized Examination Stations, effective February 22, 1993.

**Hours of Operation and Location of Facility:**

The CES hours of operation are 8 AM to 5 PM, Monday through Friday. These hours and days of operation may change in the future, dependent upon the needs of CBP and the local trade community. CES access for CBP personnel will expand beyond the normal hours.

The physical location for potential CES sites will be evaluated and determined by CBP.

**Who May Apply?**

All parties interested in being designated as a CES must submit an Application with proposed Fee Schedule.

Any false or misleading statements made in any application submitted in response to this Public Bulletin may result in disqualification and possible prosecution under the provisions of 18 USC 1001.

**CES Agreements:**

The applicant(s) tentatively selected to operate a CES must sign a written agreement with CBP (19 CFR 188.3) and secure a CES Operators Bond set in the amount deemed appropriate by the CBP Port Director before commencing operations (19 CFR 118.4).

The CES(s) selected will operate within the Philadelphia Consolidated Port of Entry for a period of 5 years. The final agreement will specify the duration of the authority to operate the CES. CES operators may reapply at the expiration of their Agreement in accordance with the regulations.

**Application Process:**

Potential applicants are advised that all material submitted in the application process become the property of CBP.

All information included in the CES application can and will be subject to review, investigation, and verification. Information included in the application materials will be utilized to determine an applicant's suitability for consideration in obtaining CES operator privileges.

The application to operate a CES must contain specific information as required by 19 CFR 118.11. Applications not providing the required information will not be considered.

If significant capital expenditure would be required in order for an existing facility to meet security or other physical or equipment requirements necessary for the CES operation, an applicant may request in the application time to conform the facility to such requirements.

Upon request in the application, the Port Director may grant an extension to bring the facility into conformity with CBP requirements.

Complete and accurate responses must be provided for all the items listed.

1. Provide the name and address of the facility to be operated as the CES, and the name and telephone number of an individual to be contacted for further information;
2. Provide an identification of the applicant, and type of business entity, e.g., corporation, partnership, sole proprietorship, or other legal identity.
3. Provide a current list of all persons who have direct or indirect financial interest in the proposed CES operation.
4. Provide a description of the CES's accessibility from the port, railhead and freeway access points. The starting point for the distance from the Port is to be calculated from the CBP Customs House located 2<sup>nd</sup> and Chestnut St., Philadelphia, Pennsylvania.
5. Provide a floor plan of the facility actually dedicated to the proposed CES operation showing bay doors, exterior features, security features, staging and work and office space.
6. The following criteria must be completely addressed, since they will be used to judge the application:

**Cargo doors** – Because of the volume of cargo that will require 100% examination, the CES should have available a sufficient number of doors to accommodate that volume and ensure a maximum flow of CES examination from devanning to release with minimum delay. Additionally, the bay doors should be able to handle a wide variety of container sizes. One bay should be large enough, and be ramp accessible, to allow for the entry and housing of specialized CBP vehicles.

**Floor space** – Each cargo door should have enough adjacent floor queuing space to allow for complete devanning of the container within that space, and provide sufficient room to examine the cargo.

**Electrical** – Outlets are required at cargo doors. The CES must also have outlets available for refrigerated containers.

**Lighting** – In the examination area, lighting must provide sufficient illumination to meet safety considerations and examination requirements. It should include a means of illuminating the interior of containers being stripped.

**Storage Area** – Storage space for detained or seized merchandise should be provided adjacent to the work area and should offer a high degree of security. This storage area should be lockable and have sufficient area to also store CBP owned equipment.

**Tractors** – One or more tractors should be available for the movement of containers within the complex.

**Container/Cargo Holding** – Sufficient storage for containers/cargo waiting processing. This area should be a separate and secure area designated for cargo/containers that are pending CBP exam.

**CBP Office Space** – Adequate office space must be provided for CBP employees, equipment and OIT needs and all should be in close proximity to the devanning area. Office space should include direct access to potable water and separate CBP only sanitary facilities and break room.

**Parking** – Adequate and secure parking with 24 hour CBP access must be provided for official CBP vehicles and CBP employee vehicles.

7. Provide a detailed list of equipment and explanations of logistical capability that confirms that the applicant can make a variety of cargo available for examination in an efficient and timely manner. Include all relevant specifications for the type of cargo handling equipment to be employed.
8. Provide your fee schedule. The applicant must clearly show what fees he/she will charge for each type of service. 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. If any of these fees are deemed excessive, that fact may be considered in the selection. Fee schedules should reflect any special costs incurred by the applicant such as facility modifications to meet specific cargo handling or storage requirements or to meet CBP security standards.
9. Provide information showing the applicant's experience in international cargo operations and knowledge of CBP procedures and applicable regulations, or a commitment to acquire that knowledge.
10. Provide any information that relates to the other commercial business activities or relationships, or other CBP activities nor relationships that are an actual or potential conflict of interest.
11. Provide operator's procedures for handling Hazardous materials. The CES operator must be able to comply with all statutes and regulations pertaining to the transportation and storage of hazardous materials, including but not limited to 40 CFR Parts 263 and 265.

12. Describe the facility's capability to handle the storage of refrigerated containers and to provide the temporary cold storage warehousing of cargo to facilitate the CBP examination process.

Applicants are advised that the designation of CES status covers only the facility described in their application. If any successful applicant changes the location of their facility during the term of their agreement, their status as a CES will be terminated. Further, the designation as a CES operator cannot be sold, transferred, inherited, or conveyed in any manner (19 CFR 118.3).

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

**Closing Date:**

Applications must be completed and received within 60 calendar days from the date of this public notice.

Applications received after the closing date will not be considered. Applications found to be incomplete may not be considered. All applications must be submitted in writing to the following address:

U.S. Customs and Border Protection  
Attn: Allan Martocci, Port Director  
2<sup>nd</sup> & Chestnut, Room 102  
Philadelphia, Pennsylvania 19106

**Selection Process:**

Following the sixty (60) calendar day "open season," the CBP Port Director will issue a Public Bulletin advising the trade community of the applications received and will publish the following information for each application:

Name of applicant  
Address of the facility proposed to be operated as a CES  
Proposed fee schedule  
List of equipment at the facility

Any interested party will have thirty (30) calendar days from the date of the Public Bulletin to submit written comments for the Port Director's consideration as specified in 19 CFR 118.12. All comments should be forwarded to the following address:

U.S. Customs and Border Protection  
Attn: Allan J. Martocci, Port Director

2<sup>nd</sup> & Chestnut, Room 102  
Philadelphia, Pennsylvania 19106

A facility site survey will be conducted for each applicant having timely submitted a complete application package, which meets the designated minimum requirements.

The facility rating will be determined based on a standardized points system relative to specific valuation criteria.

Additional consideration, in the form of points, will be given to those applicants who exceed the minimum required standards and as applicable based upon the designated evaluation criteria.

After reviewing all applications, comments submitted under 19 CFR 118.12, and the overall facility rating as determined by the CES Review Team, the Port Director shall make a final determination and select the applicant(s) that will be granted authority to operate a CES.

Written notice will be sent advising the applicant(s) of either its selection or non-selection. Each applicant that is not selected will be advised of the reason for non-selection.

The selection will become final upon execution of a written agreement between CBP and the applicant under 19 CFR 118.3.

A Public Bulletin will be issued to advise of the final selection and the date on which the CES(s) will commence operation.

If you have any questions regarding this public bulletin, please contact Edward Moriarty, Assistant Port Director, Tactical Operations, at 215-717-5959.



Allan J. Martocci  
Port Director  
Philadelphia Port of Entry