

Southern Currents



Notice to the Area Port of New Orleans Trade Community

Date: October 1, 2020

No.: 21-001

To: Customs Brokers, Importers, Carriers, Terminal Operators, Bonded Warehouse Proprietors, CFS Operators, CES Operators and Others Concerned

SUBJECT: Centralized Examination Station (CES) Solicitation for Port of New Orleans, Louisiana.

1. Purpose

The purpose of this Information Bulletin is to announce to the local importing community that the selection process for a Centralized Examination Station (CES) in the Port of New Orleans is opened to solicit applicants and to provide guidelines for the application process.

2. Scope

This solicitation is for applicants for a CES on the east bank of Orleans Parish in the State of Louisiana. The length of the CES agreement will be five (5) years from the date of the written CES Agreement.

The Port Director has determined that one (1) CES facility is required in the jurisdiction to best meet the examination requirements of Customs and Border Protection (CBP), facilitate the movement of cargo in the port, and provide competitive service to the trade community.

3. Background

On January 22, 1993, a final rule was published in the Federal Register amending the Code of Federal Regulations (CFR) enacting 19 CFR§118 (Appendix F), Centralized Examination Stations, effective February 22, 1993. Implementing procedures are contained in CBP Directive 3270-007A, dated May 6, 2012, a copy of which will be provided upon request, or can be obtained via the CBP.gov website at <http://cbp.gov/linkhandler/cgov/trade/legal/directives/3270-007A.ctt/3270-007A.txt>. The regulations were implemented to improve effectiveness and increase efficiency and service by centralizing and focusing resources and minimizing travel time required when performing cargo examinations at multiple facilities within a port's jurisdiction.

A CES is a non-government owned and operated facility at which import/export merchandise, designated by CBP for physical examination, is made available for examination. Since the first selection period for the CES program in 1994, CBP has increased efforts to concentrate on higher risk shipments by relying more on information technology and high tech non-intrusive examination procedures to examine shipments entering/exiting the United States that pose more of a threat, and have an associated identified risk. As a result, the number of physical examinations required has decreased while the quality of those examinations is more thorough.

CES applicants should realize that while the quantity of examinations will fluctuate, a minimum number of examinations cannot be, and is not, guaranteed.

Responsibilities of a CES Operator:

The applicant tentatively selected to operate a CES must sign a written agreement with CBP before commencing operations (19 CFR§118.3). As outlined in 19 CFR §118.4, by signing the agreement the CES operator agrees to:

- a) Maintain the facility designated as the CES in conformity with the security standards as outlined in the approved application;
- b) Provide adequate personnel and equipment to ensure reliable service and provide that service on a "first come-first serve" basis, unless otherwise instructed by CBP in accordance with CBP priorities;
- c) Assess fees as outlined in the fee schedule included in the approved application;
- d) Assume responsibility for any charges or expenses incurred in connection with the operation of the CES;
- e) Maintain, at the CES operator's own expense, adequate liability insurance with respect to the property within the CES operator's control and persons having access to the CES;
- f) Keep current a list of all employees involved in the CES operation;

- g) Maintain a CBP custodial bond in an amount set by the Port Director, currently \$250,000.00;
- h) Maintain and make available for CBP examination all records connected with the operation of the CES, and retain those records for at least five (5) years from the date of transaction or examination;
- i) Submit, if requested by CBP, the fingerprints of all employees involved in the CES operation;
- j) Provide office space, parking spaces, appropriate sanitary facilities, and potable water to CBP personnel at no charge, or a charge of \$1 per year;
- k) Perform in accordance with any other reasonable requirements imposed by the Port Director;
- l) As necessary, provide transportation and assume liability for the merchandise to the CES from within the port's jurisdiction;
- m) Comply with the Immigration and Nationality Act, 8 U.S.C. §1324a, and Sections 1(a) and (b) of Presidential Executive Order 12989, dated Feb. 13, 1996, pertaining to the unlawful employment of aliens; and,
- n) Meet all applicable Department of Labor regulations, including those promulgated pursuant to the Service Contract Act, 41 USC §351.

4. Action

Application Process

All interested parties must submit a completed CES Application (Appendix A); Authorization for Release of Information (Appendix B); and, Fee Schedule (Appendix C), to the address below.

Applications must be received within 60 calendar days from the date of this issuance.

During the first 30 days of that period, the public is invited to submit any relevant written comments on whether a new CES should be established or on whether there is still a need for a CES in the port. Following the end of the 60-day application-submission period, CBP will publish the name of each applicant, the proposed CES facility addresses, proposed fee schedules, list of equipment at the facility and number of employees to be involved in each proposed CES operation. Once that information is published, the public will be given 30 calendar days to submit written comments regarding each application. At the conclusion of that 30-day comment period all applications and comments will be reviewed and evaluated. Comments received from the public during the comment period may be used in evaluating and selecting a CES. CBP may conduct site visits to each applicant's proposed CES facility, which will be arranged with the applicant. Shortly thereafter, a tentative selection will be made. Applications and comments must be addressed to:

U.S. Customs and Border Protection

ATTN: Port Director

423 Canal Street Room 260

New Orleans, LA 70130

Application Contents:

Each application shall consist of the following information as required by 19 CFR §118.11. Any application not providing all of the specified information will not be considered. The responses to paragraphs (b), (c), (d), (e), (g) and (h) of this section shall constitute the criteria used to judge the application:

- (a) The name and address of the facility to be operated as the CES, the names of all principals or corporate officers, and the name and telephone number of an individual to be contacted for further information;
- (b) A description of the CES's accessibility within the port or other location, 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 completed fee schedule (Appendix C)** clearly showing what the applicant will charge for each type of service. This fee schedule shall take into consideration expected costs to bring the facility into compliance with the CES Minimum Requirements below, which may be incurred by the applicant for facility modifications such as to meet specific cargo handling or storage requirements, CBP security standards, and CBP office requirements. The fees set forth in the provided schedule shall be comparable to fees charged for similar services in the area to be served by the CES applicant;
- (d) **On a separate document with your local company's letterhead, your proposed CES facility address (street address, city, state, zip code), the number of personnel that will be employed on a regular basis at your proposed CES facility, and a detailed list of readily available equipment** showing that the applicant can make a diverse variety of cargo available for examination in an efficient and timely manner;
- (e) A copy of an approved custodial bond on CBP Form 301. If the applicant does not possess a custodial bond, a completed CBP Form 301 must be included with the application for approval as a prerequisite to selection. **The minimum bond amount required by the port director is \$250,000.00;**
- (f) A list of all employees involved in the proposed CES operation setting forth their name, date of birth, and social security number. (Providing a social security number is voluntary; however, failure to provide the number may hinder the background investigation process.);

- (g) **On a separate document with your local company's letterhead, any information showing the applicants experience in international cargo operations and knowledge of and experience with CBP regulations and procedures;** and,
- (h) Any other information to address any minimum standards that the port director considers essential to the selection process based on port conditions.

Minimum Standards and Evaluation:

All CES applicants must meet certain minimum standards in order to have their application considered. Failure of a CES applicant to meet the minimum standards will preclude further consideration of the application. The Port Director of New Orleans has developed specific criteria for CES applicants. Evaluation of the applicant's ability to meet these criteria will be based on the applicant's submission as referenced in 19 CFR §118.11 (see Application Contents above). Additional consideration will be given to those applicants who exceed the minimum required standards, as well as the evaluation criteria.

Minimum Standards:

All applicants must meet the following minimum criteria for CES consideration:

1. An applicant must have an existing operation and a facility with the capability of handling a large volume of cargo and holding cargo intact. If significant capital expenditure and renovations 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. The Port Director will grant, without extension, up to 60 days from the date of tentative selection as the CES Operator to bring the facility into conformity with CBP requirements;
2. Close proximity (**within three [3] miles**) of the CES site to the Port of New Orleans Mississippi River Facilities (Nashville Ave. Complex and Napoleon Ave. Container Terminal);
3. Have a minimum of six (6) cargo bay doors (cargo entrances);
4. Provide labor during normal working hours (0800-1700), Monday through Friday;
5. Have lighting and electrical outlets in close proximity to container positions;
6. Have trained and knowledgeable staff to handle HazMat shipments;
7. Have first aid and eye wash stations available for CBP use;

8. Must fully comply with the Occupational Safety and Health Act (OSHA), ADA and Life Safety Code requirements with respect to fire alarms, fire extinguishers and emergency exits. Fire suppression systems must meet the minimum requirements of NFPA 101 for storage facilities with business occupancies;
9. Have security features that meet minimum standards outlined in T.D. 72-56 (Appendix E);
10. Have the ability to accommodate various types of freight, perishable cargo, hanging garment containers, vehicles, and unusual shaped/packed containers;
 - **Maintain the equipment to unload and reload vehicles from a shipping container. This normally requires longer than normal forks on a forklift. The vehicles are usually stowed on top of each other via chains. Block and tackle equipment is usually required to lower, remove and reload the vehicles into the shipping container;**
 - **If the CES operator does not have the equipment necessary to unload and reload cargo properly, the operator is responsible for acquiring (rent/contract/purchase) the appropriate equipment to perform the CBP inspection in a timely and efficient manner.**
11. Provide at least 110.5 square feet per CBP personnel (12 employees) to include two (2) private offices. Office space must be equipped with a work station/desk for each employee. Office must have a data jack, two duplex electrical outlets, and two standard telephone lines and a computer line. Furthermore, the office must have a climate control/thermostat. The office door(s) must be equipped with a high security deadbolt locking device. The office must be resistant to pest infestation;
 - 110.5 square foot per employee X 12 employees = 1,326 square feet.
12. Provide separate male/female sanitary facilities available for CBP use;
13. Provide nineteen (19) designated, safe and secure CBP parking spaces;;
14. Sanitary facilities must be equipped with running hot and cold water/potable water;
15. Regular maintenance/custodial/janitorial care must be provided for office and sanitary facilities at least once daily, such as trash pick-up and bathrooms cleaned;
16. Secure tool storage and work area equipped with workbench, electrical outlets and lighting;
17. A minimum of 500 square feet of open space adjacent to the door, and between the area where cargo is to be staged for examination, is required;
18. Ten thousand (10,000) square feet minimum cargo staging area, dedicated full time for CES operations regardless of workload;

19. Within the warehouse enclosed structure (building), have for the exclusive use of CBP, at least 500 square feet of fenced high-security storage/work area that meets the minimum security standards in Appendix E. This 500 square footage may be included in the 10,000 square feet mentioned above (Item #18);
20. Indoor agriculture workspace, specifically a table with dimensions 30"x72 x 42" (WxLxH) with a white top and lit with extra fluorescent lighting;
21. Provide a fenced container yard that meets minimum security standards found in Appendix E that can accommodate at least 15 containers;
22. Mandatory bandwidth requirements for technology, minimum required 100 mbps.
23. Provide controlled movement of cargo within the CBP Port of New Orleans jurisdiction as deemed necessary by CBP for enforcement purposes;
24. Provide at least one (1) yard goat and one (1) driver readily available during normal business hours to position containers at the CES cargo entrances.
25. Provide any information that relates to other commercial business activities/relationships, and other CBP-related activities/relationships of the applicant, and the applicant's affiliates, and of the owner(s), director(s), and management personnel of the applicant business, that may present an actual or potential conflict of interest with the performance by the applicant of the duties/responsibilities relating to applicant's proposed CES facility and operation; and,
26. Provide equipment and labor to shrink wrap and re-band cargo after inspection.

CES Evaluation Measures:

The following criteria will be used to evaluate CES applicants who have successfully satisfied the minimum standards for selection as a CES. A rating/evaluation scoring system with point allocation will be used (Appendix 5 – For CBP Use Only).

1. Proximity/accessibility of the CES to the Port of New Orleans Mississippi Facilities (Nashville Ave. Complex, Napoleon Container Terminal);
2. Accessibility for movement and positioning of containers at bay doors or apron positions;
3. Cargo space that exceeds minimum standards, including:
 - (a) Number of container positions;
 - (b) Total space available for cargo stripping;
 - (c) Average space behind cargo bay doors;

- (d) Examination space beyond minimum;
 - (e) High security storage space for the exclusive use of CBP and storage of CBP Property; and
 - (f) Fenced container storage capacity.
4. Security features that exceed the minimum standards outlined in T.D. 72-56, "Standards for Cargo Security" (Appendix E);
 5. Lighting and electrical outlets immediately adjacent to container positions;
 6. Specialized equipment available to allow the CES operator to present a diverse variety of cargo, including containerized vehicles, for examination;
 7. Physical barrier separation between CES and other cargo;
 8. Availability of CES labor outside normal operating hours (0800-1700), Monday through Friday;
 9. CBP Office space and accommodations for CBP personnel, in excess of minimum standards, including:
 - Additional square footage of dedicated CBP office space;
 - Extra phone/fax lines;
 - **Increased bandwidth/internet capabilities;**
 - Additional ability to facilitate CBP operational needs (locker room, lockers, showers, lunchroom, furniture, sanitary facilities, parking, etc.)
 10. Experience in international cargo operations;
 10. Training and personnel to handle HazMat shipments;
 11. First aid equipment available for CBP use;
 12. Ownership/Lease arrangements of CES facility; and
 13. Charges or fees other than those connected with the examination of a 20/40-ft container will be reviewed during the evaluation process. If any of these fees are deemed excessive, that fact will be considered during the evaluation process.

Applicants should be aware that their designation of CES status covers only the facility described in their application. If any successful applicant changes the location of its facility during the five-year term of its agreement, its status as a CES is terminated.

All applicants must submit a corporate resolution authorizing the signatory to act on behalf of the corporation. Any false statement on the application may result in disqualification and possible prosecution under the provisions of 18 USC§1001.

All applicants are strongly urged to review 19 CFR§118 (Appendix F) to obtain a full understanding of CBP expectations of a Centralized Examination Station applicant and operator. Following the 60-day announcement period, applications will be reviewed for completeness and adherence to the specified information required. Applications deemed incomplete will not be considered.

Attachments:

- Appendix A (CES Application)
- Appendix B (Authorization for Release of Information)
- Appendix C (Fee Schedule)
- Appendix D (Evaluation Criteria – CBP Use only)
- Appendix E (Cargo Security Standards and Specifications, TD 72-56)
- Appendix F (19 CFR§118)

Any questions regarding this notice should be directed to Assistant Port Director Mark Choina at (504) 670-2287 or via e-mail at mark.s.choina@cbp.dhs.gov



Terri Edwards
Area Port Director
New Orleans, Louisiana