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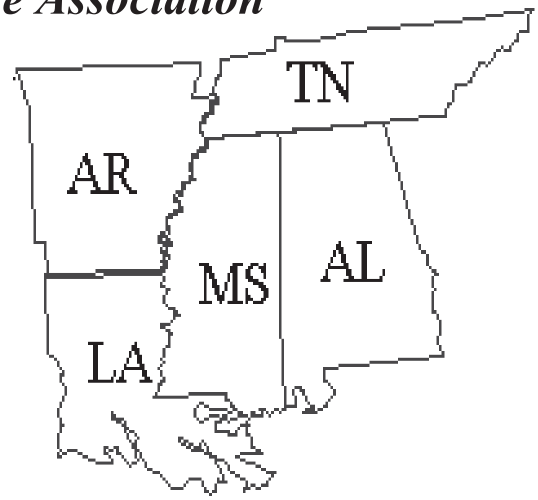
Southern Currents



Notice to the Area Port of New Orleans Trade Community

Date January 10, 2007 **No.: 07-085**

SUBJECT: Requirement To Post Marine Terminal Operator Bond for Handling International Container Shipments

Recently, Customs and Border Protection (CBP) has detected instances where cargo targeted for terrorism or enforcement reasons has been released from 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.

On or about December 20, 2006 CBP published a specific instruction in the CBP Bulletin notifying all marine terminal operators at ports of entry who engage in commerce with containers and cargo arriving from foreign, except those operators who handle bulk cargo exclusively (without exception), to post a Marine Terminal Operator bond if they do not already hold a valid international carrier bond. The specific instruction will require the posting of a bond within 30 days of the date of publication. 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.

Marine terminal operators who have not obtained either 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. However, CBP understands that marine terminal operators who are owned by foreign corporations may not be able obtain a bond by the effective date of the notice. In these cases, provided that the port director has received confirmation from the surety company that the foreign-owned terminal operator has applied for a bond and the delay is caused by the

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need for the surety to verify the financial information for the foreign-owned terminal operator, the port director may grant an extension on a case-by-case basis. For domestically owned terminals the port director may also grant an extension if they receive written confirmation from the surety as to the reason why they are unable to underwrite the bond in a timely fashion.

For terminals without a bond, they may either apply for an international carrier bond via a CBP Form 301, or the attached Marine Terminal Operator bond application.

The Marine Terminal Operator minimum bond amount is $100,000 and the maximum is $500,000. The Port Director in the letter sent to the terminal operators demanding a bond will set the amount of the bond.

If a terminal operator has a current valid international carrier bond, that bond amount will not change; however, it may be reviewed for sufficiency at CBP's discretion. 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. Office of Field Operations at CBP Headquarters, to ensure uniformity, will monitor all Marine Terminal bond amounts.

Any questions concerning this issue should be referred to Mr. Vernon Foret, Area Port Director, New Orleans at (504) 670-2391.

Eileen Jackson Shaw
Assistant Area Port Director/Tactical

Attachment – Terminal Operator Bond Application

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TERMINAL OPERATOR BOND

KNOW ALL MEN BY THESE PRESENTS, that ________________________________
of ____________________, as principle having CBP Identification Number ___
_______ and ____________________, as surety are held and firmly bound unto the United States of America up to the sum of ___________________________ dollars ($__________) for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

Whereas, the named principal operates a marine terminal into which containers and cargo from foreign are unladen and are delivered into the commerce of the United States.

Whereas, if the named principal incurs any penalty as provided by law or regulation that relates to the delivery of any cargo or container(s) or both from the terminal operated by the principal without the prior approval of an officer of Customs and Border Protection, the obligators (principal and surety, jointly and severally) agree to pay an amount up to the penal sum demanded by Customs and Border Protection.

This bond is effective ____________, 20__, and remains in force for one year beginning with the effective date and for each succeeding annual period, or until terminated. This bond constitutes a separate bond for each period in the amount listed above for liabilities that accrue in each period. The intention to terminate this bond must be conveyed within the period and manner prescribed in the Customs and Border Protection Regulations.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

____
(Name) (Address)

____
(Name) (Address)

____
(Principal Name) (Seal)

____

____
(Principal Address)

____
(Surety Name)

Surety No.__________

____

____
(Surety Mailing Address)

Surety Agent Name___________________________________
Surety Agent ID Number ____________________

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