

CBP and TSA Facility Bonding and Special Authorizations

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Service providers fulfill a range of lesser-known regulated activities to accomplish international and air cargo movements. Some of the less frequently utilized roles available under U.S. Customs and Border Protection (CBP) and Transportation Security Administration (TSA) jurisdiction have proven to be extremely valuable in driving efficiencies. Those functions involve a high degree of collaboration with the federal government, often under surety bond or strict security protocols, to ensure our national objectives are achieved with maximum flexibility and minimum hindrance to domestic industry using those services.

This article summarizes seven facility-related authorizations, the services they provide, and their legal basis under CBP and TSA authority: Customs Bonded Warehouses, Foreign Trade Zones, Container Freight Stations, Centralized Examination Stations, Express Consignment Carrier Facilities, Centralized Hub Facilities, and Certified Cargo Screening Facilities.

Customs Bonded Warehouse (CBW) - CBW services allow the landing of import inventories in the United States while delaying the time of customs entry for up to five years. CBWs are relatively prevalent and can serve a valuable role in managing duty impact or in lowering overall storage fees during customs review. The statutory authority for establishing a bonded warehouse is found at 19 USC § 1555.

Foreign Trade Zone (FTZ) - FTZ services provide greater utility relative to CBW because they allow for manufacturing, manipulation of product, and withdrawal for customs entry on a unit basis. FTZs and sub-zones conduct business under Operating Agreements and often under a public utility basis with published rates. The basic regulatory rules for FTZ operations are found at 19 CFR Part 146.

Container Freight Station (CFS) - CFSs are secured areas within warehouse facilities dedicated to the consolidation and deconsolidation of containers before export or upon import. Shippers utilize CFS most often when a warehouse facility provides short-term storage of merchandise prior to import or export and can gain efficiencies in the consolidation of LCL (Less than Container Load) shipments. A CFS can be established by filing an application with the local CBP Port Director, obtaining its approval, and posting a bond. This basic procedure is found at 19 CFR § 19.40.

Centralized Examination Station (CES) - CESs are privately operated facilities where merchandise is made available to Customs Officers for physical examination. A CES may be established by application to the local CBP Port Director. CESs are operated pursuant to written agreement between CBP and the CES operator. This basic procedure is found at 19 CFR Part 118.

Express Consignment Carrier Facility (ECCF) -

ECCFs are specialized facilities approved by a CBP Port Director for the examination and release of express consignment shipments. Express consignment shipments contain imported merchandise carried by express consignment operators and carriers, including couriers, under special procedures. ECCFs are uniquely authorized and qualified to process the staggering volume of parcels arriving in the United States during the import process. The basic regulatory rules are found at 19 CFR Part 128.

Centralized Hub Facility (Hub) - Hubs are separate, unique, single-purpose facilities normally operating outside CBP operating hours. Each are approved by the local Port Director for entry filing, examination, and release of express consignment shipments. The basic regulatory rules are found at 19 CFR Part 128.

Certified Cargo Screening Facility (CCSF) - CCSFs operate under TSA jurisdiction rather than CBP, although they have an equally important role in protecting the public and implementing national security objectives. CCSFs allow private operators to accomplish required air cargo screening. The TSA approves CCSF applications and issues required security programs pursuant to 49 CFR § 1549.

The team at Benesch is well experienced in securing, maintaining, and contracting for these operations as well as representing operators during government investigations and enforcement.

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