

CUSTOMS DIRECTIVE

ORIGINATING OFFICE: FO:TP:CC

DISTRIBUTION: S-01

CUSTOMS DIRECTIVE NO. 3260-037A

DATE: MAY 14, 1999

SUPERSEDES: 3260-037, 12/14/84

REVIEW DATE: MAY 2001

**SUBJECT: POLICY TO COMBAT LOSSES AND INSURE PROMPT DELIVERY OF
CARTED AND LIGHTERED GOODS**

1 PURPOSE. This directive establishes policy for Customs officers regarding losses or other irregularities with respect to cartage and lighterage, and to explain "prompt delivery."

2 POLICY.

2.1 Unauthorized deliveries: The bond of a Customs cartman or lighterman guarantees that the cartman or lighterman will deliver the entrusted goods only to a Customs officer. Delivery to a place under the control of a Customs officer, such as a Customs bonded warehouse, or to a place as instructed by a Customs officer satisfies that guarantee. Delivery to any other place is a default of that bond guarantee, and liquidated damages should be assessed.

2.2 Use of Persons who have not been designated as Customs cartmen or lightermen. The delivery of entrusted goods to a person who is not a Customs cartman or lighterman for subsequent cartage is an unauthorized delivery. The Customs Service ruled in C.S.D. 82-26 that a Customs cartman may not turn over goods entrusted to that cartman to a person who has not been designated as a Customs cartman. The ruling in C.S.D. 82-82, which allowed one licensed Customs cartman to transfer goods entrusted to it to another licensed Customs cartman, does not change the ruling published as C.S.D. 82-26. As an unauthorized delivery, the delivery to an unlicensed cartman is a bond default, and liquidated damages should be assessed.

3 AUTHORITIES/REFERENCES. The bonds posted with the Customs Service by a cartman or lighterman (CF 301) guarantee the performance of cartmen and lightermen to safely and promptly deliver goods entrusted to them, and their performance in complying with the statute (19 USC 1565) and the regulations (19 CFR Part 125) on cartage and lighterage. Other references in this directive: C.S.D. 82-26; C.S.D. 82-82; 19 CFR 125.41; 19 CFR 101.6.

4 DEFINITIONS. Prompt delivery: Under 19 CFR 125.41 Customs cartmen and lightermen are responsible for prompt delivery of all goods entrusted to them. Because all cartage is within a limited geographical area, cartage and lighterage normally should be completed by the close of the next business day following receipt by the cartman or

lighterman. (Customs hours of business are delineated in 19 CFR 101.6) Absent unusual circumstances as determined by the Port Director, the business day after receipt by the cartman or lighterman is to be treated as satisfying the obligation for prompt delivery. Failure to meet that time limit in normal circumstances should be treated as a bond default, and liquidated damages should be assessed.

5 RESPONSIBILITIES.

5.1 The Director, Field Operations, at the CMC will ensure that Port Directors within the jurisdiction of the CMC have in place procedures addressed in this directive.

5.2 The Port Director will ensure that procedures to combat losses and ensure prompt delivery of carted and lightered goods are developed and followed within his jurisdiction.

Assistant Commissioner
Office of Field Operations