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DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Republic of Korea Steel Imports Approved for the Electronic Certification System (eCERT)

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: General notice.

SUMMARY: This document announces that the export certification requirement for imports of steel products of the Republic of Korea that are subject to an absolute quota will be collected through the Electronic Certification System (eCERT). As a result, all imports of steel of the Republic of Korea that are subject to an absolute quota must have a valid export certificate with a corresponding eCERT transmission at the time of entry for consumption or withdrawal from warehouse for consumption. The transition to eCERT will not change the quota filing process or requirements.

DATES: The use of the eCERT process for Korean steel importations that are subject to an absolute quota will be required for steel entered, or withdrawn from a warehouse, for consumption on or after [INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. CBP will automatically reject filings without correct eCERT information starting [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Julia Peterson, Chief, Quota and Agriculture Branch, Trade Policy and Programs, Office of Trade, (202) 384-8905, or HQQQUOTA@cbp.dhs.gov.

SUPPLEMENTARY INFORMATION:

Background

Absolute quotas are established by Presidential proclamations, Executive orders, and legislation. *See* section 132.2(a) of title 19 of the Code of Federal Regulations (19 CFR 132.2(a)). On April 30, 2018, President Donald J. Trump signed Proclamation 9740 (83 FR 20683) imposing, among other things, absolute quota limits¹ on certain steel products of the Republic of Korea, pursuant to U.S. Note 16(e), subchapter III, chapter 99, Harmonized Tariff Schedule of the United States (HTSUS), and subheadings 9903.80.05 through 9903.80.58, HTSUS. Subsequently, on August 29, 2018, President Trump signed Proclamation 9777 (83 FR 45025), wherein clause 7 provides that where a government of a country identified in the superior text to subheadings 9903.80.05 through 9903.80.58, HTSUS, notifies the United States that it has established a mechanism for the certification of exports to the United States of the products covered by the quantitative limitations applicable to those subheadings, U.S. Customs and Border Protection (CBP) may require that importers of these products furnish relevant certification of export information in order to qualify for the treatment set forth in those subheadings. Where CBP adopts such a requirement, it must publish notice of the requirement in the *Federal Register*, along with procedures for the submission of the relevant export certification information. No article that is subject to an export certification requirement may be entered for consumption, or withdrawn from warehouse for consumption, except upon presentation of a valid and properly executed export certification.

The Republic of Korea is a country identified in the superior text to subheadings 9903.80.05 through 9903.80.58, HTSUS. The government of the Republic of Korea has notified the United States that it has established a mechanism for the certification of exports to the United States. On September 18, 2019, CBP published a notice in the *Federal Register* (84 FR 49115), announcing that, on October 18, 2019, CBP would begin requiring official export certificates issued by the Republic of Korea for importation of certain steel products into the

¹ Absolute quotas strictly limit the quantity of goods that may enter the commerce of the United States for a specific period.

United States.² Following publication of the *Federal Register* notice, CBP issued a message through the Cargo Systems Messaging Service (CSMS) announcing that filers failing to provide the correct export certificate number would receive a warning message from the Automated Commercial Environment (ACE) until January 1, 2020, at which time ACE would begin to reject entries lacking the correct export certificate number. Subsequent CSMS messages delayed the implementation of ACE rejection until further notice, such that steel imports of the Republic of Korea without an export certificate received warning messages, but were not rejected.³

The Electronic Certification System (eCERT) is a system developed by CBP that uses electronic data transmissions of information normally associated with a required export document, such as a license or certificate, to facilitate the administration of quotas and ensure that the proper restraint levels are charged without being exceeded. The Republic of Korea currently submits export certificates to CBP via email, and in the administration of the quota, CBP validates the certificate numbers provided by importers on their entry summaries with the information provided by the Republic of Korea. The Republic of Korea requested to participate in the eCERT process to comply with the United States' absolute quota limits for steel exported from the Republic of Korea for importation into the United States. CBP has coordinated with the Republic of Korea to implement the eCERT process, and now the Republic of Korea is ready to participate in this process by transmitting its export certificates to CBP via eCERT.⁴

² Only exporters may obtain valid and properly executed certificates of exportation, which exporters may apply for online via the Korea Iron and Steel Association (KOSA) website at <http://sq.kosa.or.kr/>. The Republic of Korea has authorized KOSA to issue export certificates. Importers should obtain these certificates of exportation from exporters.

³ See CSMS #40196360 (October 10, 2019) (initial announcement of the testing period), followed by CSMS #41021976 (December 17, 2019) and CSMS #42445519 (April 21, 2020). Full implementation of the certificate requirement was put on hold, while the United States and the Republic of Korea addressed issues related to the management of the certificates.

⁴ An exporter's KOSA number functions as the eCERT number.

Foreign countries participating in eCERT transmit information via a global network service provider, which allows connectivity to CBP's automated electronic system for commercial trade processing, ACE. Specific data elements are transmitted to CBP by the importer of record (IOR), or an authorized customs broker, when filing an entry summary with CBP, and those data elements must match eCERT data from the participating country before the subject importations will be entered or withdrawn for consumption. Importers must provide the participating country with their IOR number in advance of filing an entry, and, in turn, the participating country must submit the IOR number as an additional data element of information within the transmission for eCERT.⁵ For entries filed through ACE, additional guidance on the submission of the export certificate information is available in the CBP and Trade Automated Interface Requirements (CATAIR), specifically in the chapter entitled Entry Summary Create/Update, regarding the record entitled Importer's Additional Declaration Detail (<https://www.cbp.gov/document/guidance/ace-catair-entry-summary-createupdate-v88>). If a certificate number is not translated properly, the entry will be rejected.

This document announces that the Republic of Korea will be implementing the eCERT process for transmitting export certificates for steel product entries subject to the absolute quota limitation. The entry summary data elements transmitted to CBP for merchandise that is entered, or withdrawn from warehouse, for consumption on or after [INSERT DATE 15 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*] must match the eCERT transmission of an export certificate from the Republic of Korea for the merchandise to be entered or withdrawn for consumption. CBP will automatically reject filings without correct eCERT information starting [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]. The transition to eCERT will not change the absolute quota filing process or requirements. Importers will continue to provide the export certificate numbers from the Republic of Korea in the same manner as when currently filing entry

⁵ 87 FR 52015.

summaries with CBP. The format of the export certificate numbers will not change as a result of the transition to eCERT. CBP will reject entry summaries that otherwise comply with the absolute quota limitations when filed without a valid export certificate in eCERT.

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Office of Trade.

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