



**HQ H346979**

**December 8, 2025**

**OT:RR:CTF:VS** H346979 RRB

**CATEGORY:** Origin

Lynlee Brown  
Ernst & Young LLP  
18101 Von Karman Ave, #100  
Irvine, CA 92612

**RE:** Country of Origin of EcoSyntane; Substantial Transformation; Section 301; IEEPA

Dear Ms. Brown:

This is in response to your correspondence, dated April 5, 2025, on behalf of your client (“Company”), requesting a ruling concerning the country of origin of EcoSyntane, a Company-branded product used in spark-ignition internal combustion engines, for purposes of applying trade remedies under Section 301 and the International Emergency Economic Powers Act (“IEEPA”).

You have requested that certain information submitted in connection with this ruling request be treated as confidential. On May 1, 2025, our office communicated with you via e-mail regarding the broad scope of your confidentiality request. On May 16, 2025, and June 6, 2025, you sent revised ruling requests that narrow the parameters of your confidentiality request. Inasmuch as the amended scope of your confidentiality request conforms to the requirements of 19 C.F.R. § 177.2(b)(7), the request for confidentiality is approved. The information contained within brackets in this ruling or in the attachments to the ruling request, forwarded to our office, will not be released to the public and will be withheld from published version of this ruling.

**FACTS:**

The Company is a leading petroleum and petrochemical trading company, specializing in the supply and distribution of crude oil, refined products, and petrochemicals. The product at issue is EcoSyntane, a Company-branded product meeting Key Specifications as defined by the [ ] (“Key Specifications”). In the instant matter, the Company will produce various grades of EcoSyntane that meet Key

Specifications using imported blendstocks (“Primary Input Components”) of both U.S. and non-U.S. origin, in St. Croix Island in the U.S. Virgin Islands (“USVI”) through a controlled and precise formulation process in storage tanks.

EcoSyntane is used in spark-ignition internal combustion engines. It is primarily used in automobiles, motorcycles, and small engines to provide efficient combustion and reliable engine operation.

Regarding the manufacturing process to produce EcoSyntane, you state that the facts and circumstances of the Company’s manufacturing operations are similar to those reviewed by U.S. Customs and Border Protection (“CBP”) in CBP ruling Headquarters Ruling Letter (“HQ”) 563303, dated September 30, 2005, where CBP held that the finished product was of USVI origin because the manufacturing operations performed in USVI resulted in a substantial transformation of the imported Primary Input Components. You further explain that the Company will manufacture EcoSyntane in the same terminals, with the same methodology, and using many of the same Primary Input Components as in the cited ruling. In particular, you state that the Company will manufacture EcoSyntane with two or more of the Primary Input Components listed in HQ 563303 at the same terminal in USVI. In the instant matter, different formulations of the Primary Input Components are used to produce various grades of EcoSyntane, depending on the desired volatility and the properties and availability of the individual Primary Input Components. You assert that irrespective of the formulations used, the resulting EcoSyntane will meet Key Specifications.

You also explain that in some cases, two or more of the Primary Input Components are first used to produce EcoSyntane, while in other cases, two or more of the Primary Input Components are first combined to produce an intermediate blendstock (“Intermediate Input Component”), which you state is a common industry practice to manage storage and shipping constraints by storing and transporting similar products together. The Intermediate Input Component is then processed with other Primary Input Components or other Intermediate Input Components to produce EcoSyntane. With respect to the Primary Input Components and Intermediate Input Components used in the production of EcoSyntane, they may be of U.S. or non-U.S. origin, including but not limited to Chinese, Korean, Japanese, Indian, Turkish, Canadian and European Union origin.

More specifically, you state that the Company will manufacture EcoSyntane with two or more of the following Primary Input Components in USVI:

- Butane
- Pentane/C5
- Light Naphtha
- Heavy Naphtha
- Whole Naphtha
- Alkylate
- Light Raffinate

- Heavy Raffinate
- Light Cat Naphtha
- Heavy Cat Naphtha
- Reformate
- Toulene
- Xylene
- Heavy Aromatics

As part of your ruling request, you provided a detailed specification analysis of the Primary Input Components to be used in the production of EcoSyntane, as well as detailed Certificates of Analysis for the Primary Input Components.<sup>1</sup> You assert that all Primary Input Components fail at least one Key Specification. You also state that all Primary Input Components are classified in a different subheading of the Harmonized Tariff Schedule of the United States (“HTSUS”) than EcoSyntane. In addition, you provided a detailed specification analysis for Intermediate Input Components that could be created from mixtures of the Primary Input Components for manufacture into EcoSyntane. Similar to the Primary Input Components, you state that all Intermediate Input Components fail at least one Key Specification and that all Intermediate Input Components are classified in a different subheading of the HTSUS than EcoSyntane.

You argue that the country of origin of EcoSyntane will be USVI because the Company’s manufacturing operations in USVI to produce EcoSyntane from imported Primary Input Components and/or Intermediate Input Components result in a product with a new name, character and use.

**ISSUE:**

What is the country of origin of EcoSyntane for purposes of applying trade remedies under Section 301 and the IEEPA?

**LAW AND ANALYSIS:**

The United States Trade Representative (“USTR”) has determined that an additional *ad valorem* duty will be imposed on certain Chinese imports pursuant to USTR’s authority under Section 301(b) of the Trade Act of 1974 (“Section 301 measures”). The Section 301 measures apply to products of China enumerated in Section XXII, Chapter 99, Subchapter III, U.S. Note 20, Harmonized Tariff Schedule of the United States (“HTSUS”).

When determining the country of origin for purposes of applying current trade remedies, the substantial transformation analysis is applicable. See, e.g., Headquarters Ruling Letter (“HQ”) H301619, dated November 6, 2018. The test for determining

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<sup>1</sup> Although not dispositive to our decision in this ruling, we note that while relatively pure Certificates of Analysis were provided as examples for toluene and xylene, the distillation values for toluene and xylene set forth in the detailed specification analysis in Table 1 of your ruling request did not reflect the Certificates of Analysis.

whether a substantial transformation will occur is whether an article emerges from a process with a new name, character, or use different from that possessed by the article prior to processing. See *Texas Instruments Inc. v. United States*, 681 F.2d 778 (C.C.P.A. 1982). This determination is based on the totality of the evidence. See *National Hand Tool Corp. v. United States*, 16 C.I.T. 308 (1992), aff'd, 989 F.2d 1201 (Fed. Cir. 1993).

To determine whether a substantial transformation occurs, CBP considers the totality of the circumstances and makes such determinations on a case-by-case basis. The country of origin of the item's components, extent of the processing that occurs within a country, and whether such processing renders a product with a new name, character, and use are primary considerations in such cases. Additionally, factors such as the resources expended on product design and development, the extent and nature of post-assembly inspection and testing procedures, and worker skill required during the actual manufacturing process will be considered when determining whether a substantial transformation has occurred. No one factor is determinative.

CBP has generally held that the mere mixing of two substances in another country, not involving a chemical reaction and without additional processing, does not result in a product of such other country. See HQ 561986, dated August 21, 2001. However, certain types of blending operations where the finished product could be considered to have a new name, character, or use over its constituent inputs may lead to a finding of substantial transformation. See HQ 562468, dated October 4, 2002. CBP also reached a similar finding in New York Ruling Letter ("NY") N127337, dated November 2, 2010, where we determined that the ingredients of a fluid loss cement additive blended in Canada underwent a substantial transformation as the finished product had a distinct identity over its ingredients.

In HQ H340257, dated December 5, 2024, CBP examined whether mixing operations in the production of an herbicide in Taiwan resulted in a substantial transformation. There, CBP determined that although the production process did not result in a chemical reaction where two active ingredients were mixed together, such processing yielded a final product that was distinct from the constituent components. Accordingly, CBP held in HQ H340257 that the country of origin of the herbicide was where the processing operations took place in Taiwan.

In determining whether a substantial transformation has occurred as a result of manufacturing operations to produce EcoSyntane in USVI, we apply the "name, character, and use test." See *National Hand Tool Corp.* Here, there is a change in name subsequent to processing because the individual Primary Input Components and Intermediate Input Components as identified in your ruling request undergo a change in name once they are manufactured into EcoSyntane.

Based on the Certificates of Analysis for the Primary Input Components and the specifications for EcoSyntane, we asked CBP's Laboratories and Scientific Services Division ("LSSD") to assist with assessing whether the submitted information is

sufficient to demonstrate that EcoSyntane exhibits different qualities and uses from the individual Primary Input Components and Intermediate Input Components. In a memorandum, dated September 29, 2025, LSSD confirmed that through the Company's manufacturing operations, the different Primary Input Components will produce a new and different article of commerce if two conditions are met via testing that must be conducted on each batch of Primary and Intermediate Input Component and the final product. First, each of the Primary Input Components must not satisfy Key Specification [\*\*\*\*]. Second, Ecosyntane must satisfy Key Specification [\*\*\*\*].

LSSD explained that there is a change in character as a result of the manufacturing operations if the Primary Input Components and Intermediate Input Components are confirmed via batch testing to not meet a specific Key Specification [\*\*\*\*], while the final EcoSyntane is confirmed via batch testing to meet the same Key Specification [\*\*\*\*]. LSSD further explained that each Primary Input Component brings to the finished EcoSyntane essential characteristics which it would not otherwise have. According to LSSD's examination of the Certificates of Analysis for the Primary Input Components and the specifications for the final product, the individual Primary Input Components change the characteristics of the final product even though no chemical reaction takes place in the manufacture of the final product. LSSD also pointed out that in cases involving similar final products such as certain fuel products, the final product is typically made of over 100 different chemical compounds, making it practically impossible to extract back the individual compounds once the final product is manufactured. The same applies in the instant circumstances. Therefore, manufacturing operations to produce EcoSyntane from the Primary Input Components and Intermediate Input Components also result in a change in character.

Lastly, as you point out, EcoSyntane is specifically formulated to comply with Key Specifications and is suitable for use in automobiles. Further, without the essential characteristics imparted by the Primary Input Components and Intermediate Input Components to the final product, EcoSyntane could not be used as intended. Moreover, all of the Primary Input Components and Intermediate Input Components do not have the same use as the final product, as they do not meet the same Key Specifications that are met by EcoSyntane for use in automobiles. Accordingly, we find that the manufacturing operations to produce EcoSyntane also result in a change in use of the Primary Input Components and Intermediate Input Components. Therefore, we find that a substantial transformation results from manufacturing operations in USVI to produce EcoSyntane from the Primary Input Components and Intermediate Components.

Based on the foregoing, we find that the country of origin of EcoSyntane will be USVI for purposes of Section 301 and IEEPA duties.

**HOLDING:**

The country of origin of EcoSyntane will be USVI for purposes of Section 301 and IEEPA duties.

A copy of this ruling letter should be attached to the entry documents filed at the time the goods are entered. If the documents have been filed without a copy of this ruling, it should be brought to the attention of the CBP officer handling the transaction.

Sincerely,

Monika R. Brenner, Chief  
Valuation and Special Programs Branch