2709

Crude Petroleum

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# Background

## Product Area Description

This heading covers crude petroleum oils and crude oils obtained from bituminous minerals (e.g., from shale, calcareous rock, sand), i.e., natural products, whatever their composition, whether obtained from natural condensation oil-deposits or by the destructive distillation of bituminous minerals. The crude oils thus obtained remain classified in this heading even when they have been subjected to the following processes:

(1) Decantation

(2) De-salting

(3) Dehydration

(4) Stabilization in order to normalize the vapor pressure

(5) Elimination of very light fractions with a view to returning them to the oil-deposits in order to improve the drainage and maintain the pressure

(6) The addition of only those hydrocarbons previously recovered by physical methods during the course of the above-mentioned processes

(7) Any other minor process, provided it does not change the essential character of the product

The heading also covers gas condensates, i.e. crude oils obtained during the stabilization of natural gas immediately upon its extraction. This operation consists of obtaining, mainly by cooling and depressurization, the condensable hydrocarbons (C5 to approximately C20) from the wet natural gas.

## Product Area Information

* 1. Excluded Items

This chapter does not cover:

(a) Separate chemically defined organic compounds, other than pure methane

and propane which are to be classified in heading 2711;

(b) Medicaments of heading 3003 or 3004; or

(c) Mixed unsaturated hydrocarbons of heading 3301, 3302 or 3805.

* 1. Common Initiation Problems

The field reports that a high number of respondents export only one stream and that their prices are pegged to the spot market. As a result, there are an unusually high number of National Office hits in this area.

* 1. Other Product Area Information

None.

## Customs Rulings Online Search System (CROSS)

The purpose of this section is to help identify examples of NESOI classified items and obtain clarification for any 10 digit classification code. The primary manner in which to comprehensively define the scope of a Harmonized code described as “Other” is by process of elimination. That is, the code should be compared to what is covered by its related Harmonized codes or sub-headings. Another tool to help identify and classify items is the Customs Rulings Online Search System (CROSS) system. CROSS is a database that holds all classification rulings that have been handed down by Customs. Though primarily intended for imports, HTS and Schedule B code overlap allows the CROSS database to be used for exports as well.

In order to access CROSS, please click on the following link or type it into your browser: http://rulings.cbp.gov/. Make sure that the Collection selection is set to “All” (not “HQ” or “NY”) to capture all applicable rulings, and make sure that the NAFTA filter is off. Using the Search bar at the top of the screen you may search by Customs ruling number, or by HTSUSA number. When searching by HTSUSA number, the format must be 1234.56.7890, with periods between the fourth and fifth and sixth and seventh digits. Searches may also be done above the 10 digit level.

It should be kept in mind that CROSS is not an exhaustive source of NESOI items nor does it cover rulings for every 10 digit code. Rulings may also apply to more than one HTSUSA number, and since new rulings are constantly being handed down by Customs, previous rulings may be amended or overturned at any time.

If you have any questions regarding a Customs ruling please contact the IPP Classification team (Classification\_Team\_IPP@bls.gov) via the IPPQues process.

## Terminology

**API (gravity) –** A measure of how heavy or light petroleum liquid is compared to water.

**Bituminous-** Any of various viscous or solid impure mixtures of hydrocarbons that occur naturally in asphalt, tar, mineral waxes, etc: used as road surfacing and roofing material. Bituminous materials are the constituents of coal that can be extracted by an organic solvent.

**Decantation –** A process to separate mixture**s.**

**Petroleum Oils –** A mineral oil or liquid petroleum is a liquid by-product of the distillation of petroleum to produce gasoline, naphtha and other products by various refining processes.

# Checklists

FSN: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Quote #: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

### 2709

Crude Petroleum

## Description

Crude petroleum is a mixture of hydrocarbons that exists in liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities. Crude oil is refined to produce a wide array of petroleum products, including heating oils; gasoline, diesel, and jet fuels; lubricants; asphalt; ethane, propane, and butane; and many other products used for their energy or chemical content.

## Classification

API Gravity:

□ Testing under 25 degrees API

□ Testing 25 degrees API or more

□ Condensate derived wholly from natural gas

□ Other\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

## Price Determining and Identifying Characteristics

Price structure:

□ Spot

□ Market

□ Other \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

# Transactions Terms and Price

|  |
| --- |
| **Type of Sale:**□ **Market Sale** **Intra-Co Transfer:**□ **Market-Based**[ ] □ **Cost-Based**□ **Other**□ **Unknown** |
| **If off cycle, provide Pricing Cycle flag (Y, N, P, or R):**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Jan** | **Feb** | **Mar** | **Apr** | **May** | **Jun** | **Jul** | **Aug** | **Sep** | **Oct** | **Nov** | **Dec** |
|  |  |  |  |  |  |  |  |  |  |  |  |

 |
| **Is Price Related To:**

|  |  |
| --- | --- |
| □ **Quantity Ordered? Specify:** |  |
| □ **Class of Seller/Buyer? Specify:** |  |

 |
| **PRICE INFORMATION:**

|  |  |
| --- | --- |
| **Date:** |  |
| **Reported Price:** |  |
| **Price Basis:** |  |
| **Unit Priced:** |  |
| **Currency of Price:** |  |
| **Country from which Imported/Exported:** |  |
| **Duty Amount (imports only):** |  |

 |
| **Discounts:**

|  |  |
| --- | --- |
| □ **Discount Type:** |  |
| □ **Dollar Amount:** |  |
| □ **Currency:** |  |
| □ **% :** |  |
| □ **Already Deducted? Y N** |  |

 |
| **Discounts:**

|  |  |
| --- | --- |
| □ **Discount Type:** |  |
| □ **Dollar Amount:** |  |
| □ **Currency:** |  |
| □ **% :** |  |
| □ **Already Deducted? Y N** |  |

 |
| **Comments:** |

# Comments

## Misclassified Item Comments

**(Required for selected items designated on the checklist as misclassified. Complete all entries in this section.)**

Misclassified items are eligible for initiation only if the DCP 12.1 verification and comment requirements are met. If classification within the SCG during the sample

reference period cannot be verified, discard the item quote and reselect an item known to be correctly classified in accordance with DCP 11.7 - Errors in Disaggregation.

Verified Sample Reference Period 10-digit Schedule B statistical classification:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Verified Current 10-digit Schedule B statistical classification:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Explanation:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

* 1. Comments

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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