extended sales below cost in a respondent's home market from normal value calculations. The effect is typically to increase normal value and, by extension, dumping margins. Section 773(b) of the Tariff Act directs DOC to check for such below-cost home market sales whenever there are "reasonable grounds" to do so, and provides that reasonable grounds "automatically" exist when below-cost sales have been disregarded in a recently completed segment. An ambiguity had been identified regarding when, in a newly initiated administrative review, DOC should make a decision on automatically opening a cost investigation based on prior findings of sales below cost. Under the policy laid out, in the first administrative review of a respondent, DOC will base its decision to automatically initiate a below-cost sales investigation on whether below-cost sales were disregarded for that respondent in the original investigation. For subsequent reviews, decisions will be based on whether below-cost sales were disregarded in the respondent's most recently completed review.

(b) Liquidation of intermediaries' entries. In April 2003, DOC announced a clarification of its policy regarding liquidation of entries made by "intermediaries" such as resellers and trading companies. As explained by DOC, where an intermediary does not have its own rate, automatic liquidation of its entries at the cash deposit rate can only occur if no administrative review has been requested, either of the intermediary itself or of any producer of merchandise exported by the intermediary to the United States. If, in the course of an administrative review, DOC finds that the producer of goods under review knew, or should have known, that the merchandise it sold to the intermediary was destined for the United States, entries of that merchandise will be liquidated at the assessment rate calculated for the producer. If, on the other hand, DOC finds that the producer did not know that the merchandise it sold to the intermediary was destined for the United States, then entries of merchandise exported by the intermediary will not be liquidated at the producer's assessment rate, nor at the cash deposit rate. Assuming there is no company-specific review of the intermediary itself for that review period, entries of merchandise by the intermediary during the review period will be liquidated at the all-others rate.

(c) New shipper reviews. Section 751(a)(2)(B) of the Tariff Act provides for expedited reviews of "new shippers," i.e. companies that did not export during the original period of investigation. The practice regarding these reviews has evolved since 2000 with the mechanism's increasingly frequent use.

- At the procedural level, DOC has updated and publicized the initiation checklist it uses in determining whether to open such reviews.

- Policy Bulletin 03.2, issued in 2003, addressed the situation where the exporter and the producer of merchandise involved in a review are different entities. DOC limited the benefits of this review mechanism to merchandise produced and exported by the particular producer/exporter combination found to qualify for a review.

- A second bulletin issued that same year clarified that entries of subject merchandise made while a review is in progress, and secured by a bond in lieu of a cash deposit, are fully subject to the interest provisions of Section 778(a) of the Tariff Act if for some teason the review has been rescinded (Policy Bulletin 03.3).