



OFFICE OF
CHIEF COUNSEL

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

MEMORANDUM FOR: Steven Musher
Associate Chief Counsel (International)

FROM: Matthew W. Frank, APA Program Director

DATE: July 27, 2006

SUBJECT: APA Quarterly Report for FY 2006,
Third Quarter Ending 6/30/06

The following are the APA Program's results for the third quarter of FY 2006 ("Q3").

APAs Completed

The APA Program completed 19 APA matters in Q3, consisting of 8 bilateral APA matters and 11 unilateral APA matters.

Negotiating-Position Papers

The APA Program completed 9 bilateral negotiating position papers in Q3.

Annual Reports

The APA Program completed its review of and closed 220 annual reports in Q3.

New Matters

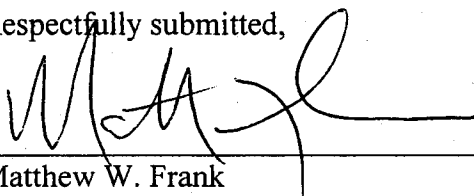
The APA Program received 8 new APA matters in Q3, consisting of 7 bilateral matters and 1 unilateral matter. There were 3 withdrawals during Q3.

APA Inventory

The APA Program has an ending inventory of 256 open matters.¹ This consists of 205 bilateral and 51 unilateral matters.²

Attached for your information is the APA issuance report and open inventory reports as of June 30, 2006. Please contact me at (202) 435-5222 if any additional information is required.

Respectfully submitted,


Matthew W. Frank
APA Program Director

Attachments

cc: LMSB Commissioner
Director, International
National Director of Appeals
LMSB Division Counsel

1. This equals beginning Q3 inventory of 270 matters, plus 8 receipts, less 19 closures and 3 withdrawals $\{270 + 8 - 19 - 3 = 256\}$.

2. The 256 open matters include 17 pending dollar filings (14 bilateral and 3 unilateral).
Thus

- The APA Program has an inventory of 239 active cases, i.e., 256 open matters less 17 pending dollar filings.
- The 239 active cases consist of 191 bilateral cases (205 total bilateral matters less 14 pending bilateral dollar filings) and 48 unilateral cases (51 total unilateral matters less 3 pending unilateral dollar filings).
- The APA Program has forwarded 114 of the 191 active bilateral matters to Competent Authority. Thus, the APA Program has a current working inventory of 125 cases, consisting of 77 active bilateral (191 active bilateral cases less 114 forwarded to Competent Authority) and 48 active unilateral cases.