OFFICE OF
CHIEF COUNSEL

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

MEMORANDUM FOR: Steven A. Musher
Associate Chief Counsel (International)

FROM: Matthew W. Frank, APA Program Director

DATE: October 23, 2006

SUBJECT: APA Quarterly Report for FY 2006,
Fourth Quarter Ending 9/30/06

The following are the APA Program's results for the fourth quarter of FY 2006 ("Q4").

APAs Completed

The APA Program completed 13 APA matters in Q4, consisting of 7 bilateral APA matters and 6 unilateral APA matters.

Negotiating-Position Papers

The APA Program completed 9 bilateral negotiating position papers in Q4.

Annual Reports

The APA Program completed its review of and closed 109 annual reports in Q4.

New Matters

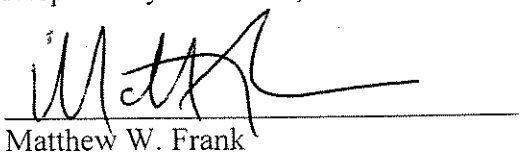
The APA Program received 42 new APA matters in Q4, including 26 bilateral matters and 16 unilateral APA matters. There were 5 withdrawals during Q4.

APA Inventory

The APA Program has an ending inventory of 280 open matters.[1] This consists of 214 bilateral and 66 unilateral matters.[2]

Attached for your information is the APA issuance report and open inventory reports as of September 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

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1. This equals beginning Q4 inventory of 256 matters, plus 42 receipts, less 13 closures and 5 withdrawals {256 + 42 - 13 - 5 = 280}.

2. The 280 open matters include 23 pending dollar filings (15 bilateral and 8 unilateral). Thus

- The APA Program has an inventory of 257 active cases, i.e., 280 open matters less 23 pending dollar filings.
- The 257 active cases consist of 199 bilateral cases (214 total bilateral matters less 15 pending bilateral dollar filings) and 58 unilateral cases (66 total unilateral matters less 8 pending unilateral dollar filings).
- The APA Program has forwarded 92 of the 199 active bilateral matters to Competent Authority. Thus, the APA Program has a current working inventory of 165 cases, consisting of 107 bilateral (199 active bilateral cases less 92 forwarded to Competent Authority) and 58 active unilateral cases. (The number of bilateral APA matters forwarded to Competent Authority reported here does not reconcile with the number in the report for Q3 adjusted for additions and subtractions because of an error in the Q3 numbers, subsequently corrected.)