



CHIEF, APPEALS

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

November 7, 2003

MEMORANDUM FOR APPEALS AREA DIRECTORS

FROM: David B. Robison /s/ **David B. Robison**  
Chief, Appeals

SUBJECT: Coordinated Issues

Appeals controls an increasing number of issues under some standard of ISP coordination (i.e., ISP Coordinated Issues, Appeals Coordinated Issues, Emerging Issues). Although the recent proliferation of controlled issues is primarily a consequence of the Service's approach to Abusive Tax Shelters, it also creates an extensive coordinated issue list that is, at best, unwieldy. Moreover, once coordinated, an issue seems to enjoy a nearly permanent controlled status.

As you know, Compliance determines which issues become ISP Coordinated Issues. We simply react with corresponding coordination. However, sometimes issues can be inactive for years before a decision is made to decoordinate them. Our policy to date has been to remove issues from a controlled status only after Compliance has taken action to decoordinate (IRM 8.7.3.1.2).

That policy is changing, effective today. Appeals will now decoordinate inactive controlled issues. The manual will be revised shortly to reflect the change. As a result, 14 issues are being removed from coordination (a listing is attached). In the event that any of these issues experiences resurgence in popularity, we will reinstate the necessary coordination.

If you have any questions, please contact the Diane Ryan, Director, Technical Guidance at 314-612-4640.

Attachment

## DECOORDINATED ISSUE RECOMMENDATIONS

<b>Industry/Specialty Area</b>	<b>ISSUE</b>	<b>UIL</b>
AEROSPACE	Deductibility of Bribes, Kickbacks	162.21-15
	Cost Overruns/Underruns	461.20-00
FOOD	ITC on Refrigerated Structures	48-01-17
MEDIA	Capitalization of Cable Franchise Costs	263-13-07
	Transponders (depreciation of purchase price)	61-43-04
SHIPPING	IRC Section 863 (c)(2) - Source of Income From Transportation Between Foreign Country Ports and U.S. Deepwater Ports	863-02-07
RAILROAD	Trackage Rights & Other Protective Conditions (Issue Decoordinated by Compliance effective 8/28/03.	263.03-03
SAVINGS & LOAN	Validity of Reg. 1.593-6A(5)(b)(v) Interest Income on Sale of Foreclosed Property	593.06-01
FOREST PRODUCTS	Paper Machine Structures	168.20-03
TARGETED JOBS CREDIT	IRC §51 - (Whether a taxpayer is entitled to claim a targeted jobs credit under IRC §51, absent certification from a designated local agency.	51.00-00
MERGERS & ACQUISITIONS	Equity Pool Investment	709.01-00
PROPERTY & CASUALTY	Captive Insurance	162.04-13
SECURITIES & FIN. SERVICES	Reverse Conversions	1221.12-01
UTILITIES	Department of Energy Decontamination Fund (Jack Ellis)	461.01-11