

Extension of Test of Mediation Procedure for Appeals

Announcement 2001-9

Summary: This document extends the test of the mediation procedure set forth in Announcement 98-99, 1998-2 C.B. 650, for an additional one-year period beginning on January 16, 2001, the date this Announcement is published in the Internal Revenue Bulletin.

The mediation procedure allows taxpayers, in certain cases that are already in the Appeals administrative process and that are not docketed in any court, to request mediation of one or more issues as a dispute resolution technique. Under the procedure, the taxpayer and Appeals attempt to negotiate a settlement, assisted by an objective and neutral third party who has no authority to impose a decision.

Background: Announcement 98-99, which contains the procedures that taxpayers may use to request mediation, applies to factual issues involving an adjustment of \$1 million or more that are already in the Appeals administrative process. A two-year test of the mediation procedure concluded on November 15, 2000.

As Appeals transitions to its modernized structure, it is considering proposals to expand its alternative dispute resolution (ADR) processes. After this review is completed, Appeals plans to promulgate guidance expanding the mediation program as provided for under § 7123(b)(1) of the Internal Revenue Code.

Changes: To meet the goals of the Service's restructuring, Appeals has reorganized its staffing. Therefore, position and office titles in Announcement 98-99 are substituted as follows, along with an updated mailing address for Headquarters Appeals:

<u>Old</u>	<u>New</u>
National Director of Appeals	Chief Appeals
Assistant Regional Director of Appeals (ARDA-LC)	Area Director
Appeals Associate Chief	Appeals Team Manager
Appeals Team Chief	Appeals Team Case
Leader	

Office Title/Address Changes

<u>Old</u>	<u>New</u>
National Director of Appeals 901 D Street, SW Box 68 Washington, DC 20024 Attn: C:AP:ADR & CS, Room 236 Operations	Chief Appeals 1099 14 th Street, NW Suite 4200 - East Washington, DC 20005 Attn: Appeals LMSB
National Office Appeals	Headquarters Appeals
Appeals Region	Appeals Area
Office of Alternative Dispute Resolution and Customer Service Programs	Appeals LMSB Operations

In addition to the above changes, responsibility for the management of the Appeals mediation program has been transferred from the Office of Alternative Dispute Resolution and Customer Service Programs to Appeals LMSB Operations.

Effective Date: This Announcement extends the test of the mediation procedure set forth in Announcement 98-99, for an additional one-year period beginning on January 16, 2001, the date this Announcement is published in the Internal Revenue Bulletin.

Drafting Information: The author of this announcement is Sandy Cohen, Appeals LMSB Operations, Headquarters Appeals. For further information regarding this announcement, call Mr. Cohen at (202) 694-1818 (not a toll-free number).