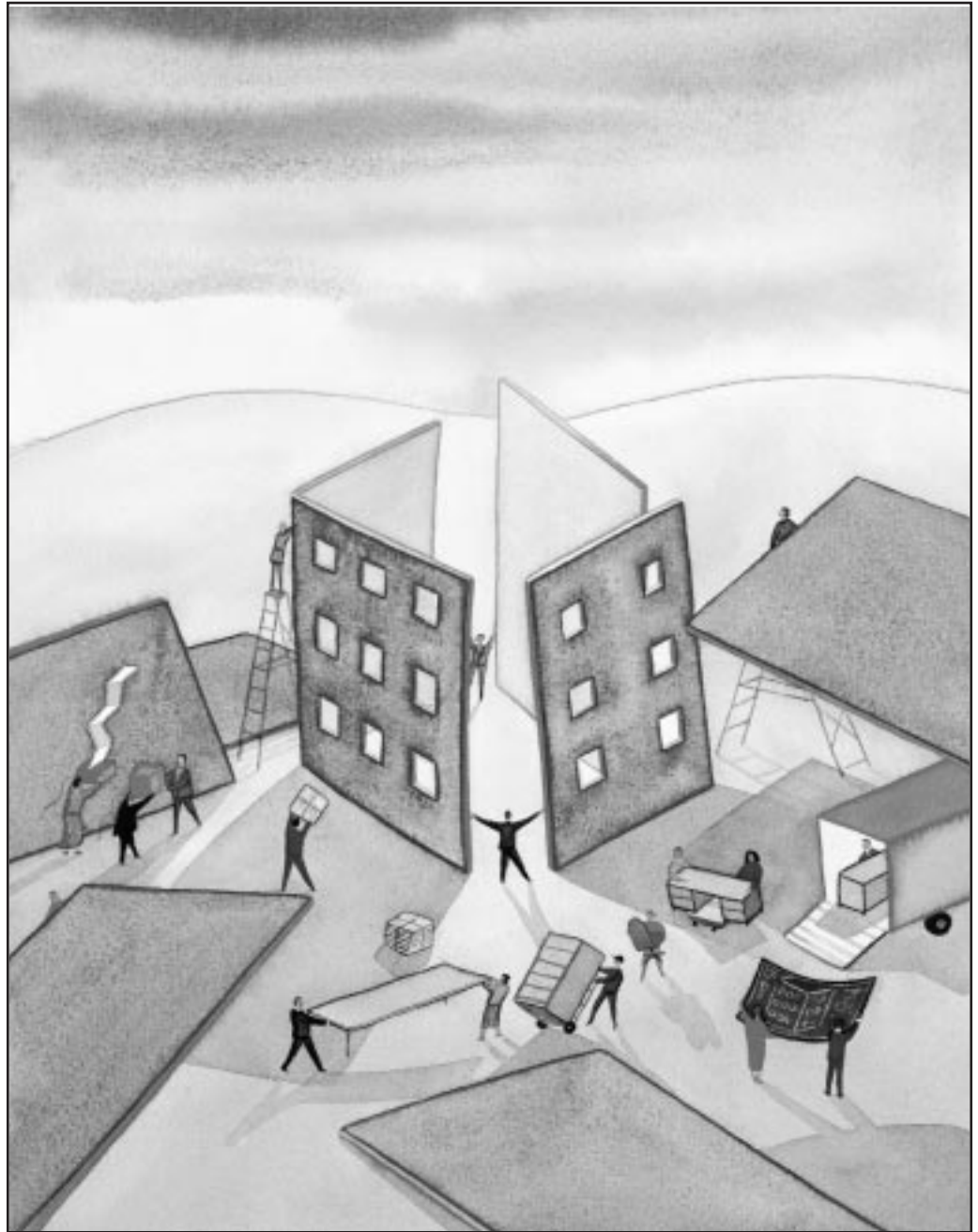


RESTRUCTURING AGREEMENT

Between

Internal Revenue Service & National Treasury Employees Union



Department of the Treasury
Internal Revenue Service

www.irs.ustreas.gov

Document 11062 (5-1999)
Catalog Number 27971C

RESTRUCTURING AGREEMENT
TABLE OF CONTENTS

ARTICLE NUMBER	TITLE	PAGE NUMBER
	INTRODUCTION	1
ARTICLE 1.	GUIDING PRINCIPLE	1
ARTICLE 2.	DEFINITIONS	1
ARTICLE 3.	TRANSITION	1
ARTICLE 4.	REALIGNMENT/REASSIGNMENT PROCEDURES IN THE ESTABLISHMENT PHASE	3
ARTICLE 5.	PLACEMENT NOTICES	5
ARTICLE 6.	EXPEDITED GRIEVANCE PROCESS	6
ARTICLE 7.	NEGOTIATIONS	7
ARTICLE 8.	EXPEDITED NEGOTIATIONS PROCESS	8
ARTICLE 9.	PARTNERSHIP	9
ARTICLE 10.	WORKFORCE TRAINING AND CAREER DEVELOPMENT	10
ARTICLE 11.	TERM CONTRACT INTEGRATION	10
ARTICLE 12.	APPROVAL AND REOPENER	10
	ATTACHMENT I	11
	NORD/NC V Article 9 -Stewards and Official Time	11
	ATTACHMENT II	12
	RESTRUCTURING EXCEPTIONS	12
	SIGNATURE PAGES	13

The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.



Department of the Treasury
Internal Revenue Service
Document 6897 (Rev. 9-98)
Catalog Number 62293V
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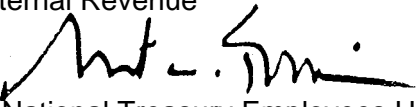
COMMISSIONER

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

MEMORANDUM FOR ALL IRS EMPLOYEES

FROM:

Charles O. Rossotti 
Commissioner of Internal Revenue

Robert M. Tobias 
National President, National Treasury Employees Union

SUBJECT:

IRS/NTEU Restructuring Agreement

The Internal Revenue Service (IRS) and the National Treasury Employees Union (NTEU) reached an historic agreement on the initial guiding principles that will move our restructuring efforts forward. At the core of our discussions was the desire to create a new organization, enhance customer service and increase employee satisfaction.

The agreement contains the guiding principles that will be used as we establish the new business divisions and begin the process of implementing the final design plans over the next few years.

The IRS and NTEU came to this agreement after weeks of interest based negotiations. The parties jointly identified interests that established benchmarks for the final language contained in this agreement. The agreement takes into account many of those needs, interests and common goals as well. Both the IRS and NTEU want to give our employees the skills and knowledge they need to get the job done and reach their full potential.

We realize that much work still remains to be done. Since many of the organization design specifics are not yet known, additional issues will be negotiated as the individual divisions take shape.

The IRS and NTEU will continue to work together on mutually beneficial solutions. Meetings will be scheduled with all employees between now and August 31, 1999, to discuss the agreement and to address any questions you have concerning the agreement. These meetings will be jointly presented by Management and NTEU.

With your help we can transform the IRS into the type of organization that provides top quality service to our taxpayers while creating a first class working environment for our employees.

FUTURE AGREEMENTS

1. Tax Exempt
2. Taxpayer Advocate
3. Large & Middle Business
4. IS Organization
5. IS Architecture
6. Small Business
7. Wage & Investment
8. Strategic Human Resources
9. Core
10. Shared Services
11. Counsel

**RESTRUCTURING AGREEMENT
BETWEEN THE INTERNAL REVENUE SERVICE AND
THE NATIONAL TREASURY EMPLOYEES UNION**

The IRS and NTEU are jointly committed to implementing the RESTRUCTURING AND REFORM ACT of 1998. This document establishes a basic framework for a labor/management agreement on the IRS reorganization. The parties mutually agree that enhancing service to taxpayers and improving employee satisfaction are equally key components and critical to the success of restructuring. In addition, to ensure success the parties understand that our employees will provide major contributions in the improvement of the IRS. A commitment to provide the technology, tools, and training to our employees will result in a higher level of service to taxpayers and improve overall operations. To this end, the parties further agree as follows:

ARTICLE 1. GUIDING PRINCIPLE

This agreement addresses several specific provisions and other general principles to be applied during the restructuring transition from the current organizational structure to the new business division structure. Furthermore, this agreement does not represent the completion of the bargaining obligation over this transition, but rather the first of one or more agreements that will be negotiated in response to the details of the restructuring as they emerge over the next several years.

ARTICLE 2. DEFINITIONS

For purposes of this agreement all restructured components will be called Divisions when needed to distinguish from the current organization. The four major components (Tax Exempt, Small Business, Wage and Investment, and Large and Mid-Size Businesses) will be called Operating Divisions; Information Systems, Core and Shared Services will be called Support Divisions; Appeals, and Taxpayer Advocate will be called Functional Divisions.

ARTICLE 3. TRANSITION

In order to accomplish the placement of employees from the existing organization into the restructured organization the parties agree that a series of activities will need to occur as follows:

Section 1. Establishment Phase

- A. This Establishment phase, which will be not less than 90 calendar days, begins on the date when the Employer approves the design of any new division and the Union has been informed of the Employer's approval.
- B. During this phase, a new division will begin to be populated pursuant to Article 4. This will be accomplished by the Employer identifying employees in accordance with the procedures identified in the Article 4, Section 1 found below. Once identified, the employees will be officially realigned/reassigned from the existing organization into the new division. Any disputes will be resolved by the local parties as specified in Articles 5 & 6.
- C. During this phase no changes that result from the establishment of the new division will be made which disrupt the status quo as defined in Article 7, Section 2.

D. Simultaneous with the establishment of a new division as provided above and concurrent with the “populating” of the new division, the Employer has determined that a division specific Joint Transition Plan be developed. The parties fully expect that a division specific Joint Transition Plan may evolve, be transformed and/or modified over a period of months. However, in no case will the Union be barred from initiating negotiations over a division’s establishment for more than 90 calendar days after the end of the Establishment phase.

E. Grievances in process during an employee’s movement into a new division will continue to move through the preexisting appointing office structure, unless agreed otherwise by the parties in their negotiations in response to standing up that division. Similarly, new grievances will continue to be processed using the preexisting structure. However, it is expected that the joint transition plans should address what new changes, if any, should be made in the grievance procedure and those recommendations may be subject to negotiations.

F. The parties recognize that as the transition continues, and as divisions become operational, there will be a need for acting management designations to keep the preexisting appointing office structure in place until transition is complete Service-wide. Each division’s joint transition plan and/or implementation negotiations must address the manner in which they will transition from the current appointing office structure so as to accommodate local bargaining as authorized by the national parties in the future.

Section 2. Adjustment Phase

A. The Employer has determined that once a division has been officially established an Adjustment phase will take place. It is during this phase that management, employees and the Union will adjust to the new division.

B. The Employer has determined that this period of time should last at least sixty (60) calendar days from the date the realignment/reassignment of employees in the Establishment phase as described in Article 4, is completed.

C. During this phase no changes that result from the establishment of a new division will be made that disrupt the status quo as defined in Article 7, Section 2.

Section 3. Bargaining Phase

A. Prior to completion of the time frame provided in Section 2 B above, the Employer will provide the Union formal notice concerning changes in conditions of employment with regards to a particular division(s) that are appropriate pursuant to Article 7, Section 1. This notice will trigger the Union’s opportunity to engage in bargaining regarding the initiative, consistent with the terms of Article 47.

B. The parties have determined that during this period of time they will continue to maintain the status quo regarding conditions of employment currently in existence until bargaining is completed. Pursuant to Article 8, Section 1, bargaining will be completed within 90 calendar days, absent mutual agreement of the national parties or a dispute under Article 8.

Section 4. Implementation Phase

A. Following completion of the national bargaining in Section 3 above, each new division will be implemented consistent with the agreement.

B. Unless specifically provided by the national parties, no further bargaining will be authorized.

ARTICLE 4. REALIGNMENT/REASSIGNMENT PROCEDURES IN THE ESTABLISHMENT PHASE

The Employer has determined that it will use the following placement steps to determine which employees will “populate” the new division. Management has determined that since the joint transition plans will not be completed at the time the populating process is occurring, employees identified for placement in the new division will remain in their preexisting work locations until the parties reach agreement under Article 7, Section 1C, except as necessary pursuant to Section 7106 (d) and in situations outside management’s control. Steps one through four below will all be worked within a commuting area boundary. Throughout this section, ties in EOD will be broken as set forth in NORD/NC V, Article 14, Section 2B3.

Section 1

Step 1: Employees will move with their current work into the new organization. This means that the first step in deciding who will go into the new division will be based upon whether an employee is currently occupying a position, i.e., actually doing the work that continues in the new division.

A. If the number of employees currently occupying the positions is equal to or less than the number of positions that are being established in the new division, all employees currently occupying the position, i.e., actually doing the work that continues in the new division, will be realigned/reassigned into the new division.

B. If after conducting the number of realignments/reassignments specified in (a) above, there are still positions needing to be filled in the new organization, then the Employer will proceed to Step 2 below.

C. If however, there are more employees currently occupying the position than are being established in the new division, the seniority provisions of NORD/NC V Article 15 will be applied (Employee with the most seniority, based on EOD, will be placed first) (See Restructuring Exceptions).

D. Subject to the conditions in Section 2 below, any employees who are “unplaced” at this step will have their positions designated “Section 2 employees” at this step.

Step 2: Employees who previously performed all of the duties on a full time basis for more than sixty (60) calendar days since July 1, 1998, will be identified and given the opportunity to volunteer for placement in the new division. The seniority provisions of NORD/NC V Article 15 will be used. (Employees with the most seniority, based on EOD, will be placed first). If after completing this step, there are still positions needing to be filled in the new organization, then proceed to Step 3 below.

Step 3: Employees who currently either perform a portion of the duties of the position being established in the new division or who perform all of the duties of the position being established in the new division but only for a portion of the time, will be given the opportunity to volunteer for placement in the new organization. The seniority provisions of NORD/NC V, Article 15 will be used (Employees with the most seniority, based on EOD, will be placed first). If after completing this step there are still positions needing to be filled in the new organization, then proceed to Step 4 below.

Step 4: Employees who have previously been designated “Section 2 employees” will be reassigned to the positions being established in the new division using the seniority provisions of NORD/NC V Article 15. Employee with the most seniority, based on EOD, will be placed first. If after this step there are still positions needing to be filled in the new organization, then proceed to Step 5.

Step 5: Additional positions will be filled non-competitively using the selection priority as currently provided in NORD/NC V, Articles 15 and 51 in accordance with existing regulation. Additionally, at this point all other priority status employees will also be considered. Non-unit employees may be placed into unit positions through consideration at this stage and without regard to other provisions in term contracts. For example, if a non-unit employee volunteers for a unit position and is qualified, he or she can be placed under Article 15 procedures if reached on the EOD list. However, management is free to select any NBU employee who is contiguous with another NBU employee on the list who is reached for selection. If there are additional positions to be filled, proceed to Step 6.

Step 6: If after the above steps have been completed, and there are still positions to be filled, they will be announced as reassignment opportunities for employees (both BU and NBU) who have been designated “Section 2 employees” in another commuting area. This announcement will be published and distributed nationally. The seniority provisions of NORD/NC V Article 15 will be applied. However, management is free to select any NBU employee who is contiguous with another NBU employee on the list who is reached for selection. If there are additional positions to be filled, then proceed to step 7.

Step 7: Competitive actions will be taken in accordance with the provisions of NORD/NC V, Article 13. All vacancies will be announced nationally.

Section 2

When a currently existing organization (e.g., Examination or a region) no longer exists and there remains no organization, current or future, for employees not yet placed, this will trigger the identification of such employees not yet placed as “Section 2 employees”. Such employees will remain at the same grade and post-of-duty, until placed. Circumstance determinative of an organization being no longer in existence include, no longer any delegation of authority, budget or structure. Lists of “Section 2 employees” will be continuously provided to the local NTEU Chapters by the servicing personnel offices. Employees who occupy a “Section 2” position will continue to perform appropriate work and will be considered for vacancies in accordance with the steps described in Article 4, Section 1 above.

Section 3

Once an employee has been designated as a “Section 2 employee” and that employee volunteers for a vacant position outside the commuting area for which he or she is selected, the employee’s moving expenses will be paid.

ARTICLE 5. PLACEMENT NOTICES

Section 1

Upon movement into the Establishment Phase of a division, the Employer will issue an all employee notice which informs employees that the division has been approved. Absent agreement otherwise, notification to employees will be accomplished using the front page of New Directions. Additionally, the notification will also inform employees of the following:

- A. the structure of the division, including the location of appointing offices,
- B. where the employee can review a list of the number and types of employees per office (at a minimum, the employer will give the union chapters such a list at the time the notification is published).
- C. the date by which identified employees should expect to receive a second notice that they are to be realigned/reassigned to this division, and
- D. that if they wish to volunteer for placement in this division pursuant to Article 15 or wish to express a desire NOT to be realigned/reassigned into the new division, they are to FAX a copy of Form 12294, Employee Interest for Placement in the Restructured IRS, to a designated division official, and give a copy to their immediate manager as well as the chapter president.

This notice must be in the hands of employees for ten (10) work days before a second notice can be issued.

Section 2

Ten (10) work days prior to the issuance of a second notice as described below, the Union will be given an advance copy of this notice and accompanying list showing which employees will be placed in the commuting areas and positions. The notice will also designate the reason the employee was identified for placement, e.g., they previously performed the duties of the position. This notice will be given at the national and chapter levels.

Section 3

A second notice will be hand-delivered to each employee newly identified for placement. However, return receipt mail notices may be sent to those employees who are not accessible in the offices. The notice will contain the following information:

- A. A general statement of what the notice represents, i.e., notice that the employee will be moved to the new division on a specific date.
- B. A statement of what the new restructured organizational component and/or sub-component to which the employee is assigned represents within the new organization.
- C. A statement of how the specific employee was identified for the new division, i.e., pursuant to what step in the population process and with what EOD date.
- D. Notice as to where the employee may find a copy of the list of all employees in that commuting area realigned/reassigned to the new division.

Additionally, a general copy of this notice along with a complete alphabetical list of the employees realigned/reassigned will also be posted on the bulletin boards that are normally used to post vacancy announcements and general informational notices. It also will be posted on the Intranet and/or any other local automated informational forums.

Section 4

- A. Following the posting of the second notice and list, all employees will have an opportunity to request a review of the Employer's determination. Any employee who requests such a review must do so within 15 work days of the employee's receipt of the second notice or bulletin board posting of the second notice and list, whichever is later, through a written submission to one of the following:
1. directly to the employee's immediate manager,
 2. to the local NTEU chapter representative, or
 3. directly to the employee's servicing personnel office (where the employee would otherwise provide a statement of the employee's interest in a job opportunity that would be announced).

The written submission will identify the reason(s) why the employee believes that he or she was not properly assigned and the requested remedy. Among the reasons for an alleged incorrect assignment are an incorrect EOD, consideration at the wrong step, improper identification of another employee, or a commuting area error. NTEU will be provided copies of all review requests filed pursuant to this process.

- B. All reviews will be conducted at the local commuting level by the following representatives:
1. the employer's designated commuting area official, (this individual will be the individual that the affected operating division head has designated),
 2. the local head(s) of appointing office, or designee (if different than the commuting area official), and
 3. the NTEU chapter president of the employee affected, or their designee (the chapter president will be the individual from the employees current organizational component not the future component).

The parties intend that individuals designated to participate in the above process be familiar with the issues involved.

- C. If following the resolution efforts identified in Section B above the employee remains in disagreement with the result, the employee may file a grievance under his or her existing term contract. If the employee's grievance results in a new placement, he or she will be placed without displacing anyone else.

ARTICLE 6. EXPEDITED GRIEVANCE PROCESS

If an employee files a grievance over his or her placement after following the procedures of Article 5, Section 4, either party may move the grievance unilaterally to the appointing office level so long as a face-to-face meeting is provided at that level--unless the parties mutually agree otherwise. If the grievance remains unresolved by an appointing office official more than 20 work days after submission, the union may invoke arbitration at that point rather than let it proceed through the normal and full process. If arbitration is invoked under this expedited process, the dispute will be proceed as follows:

- A. It will be submitted to the appropriate neutral party listed in Article 8, Section 2 B.
- B. Once this expedited process is invoked by sending the traditional arbitration invocation letter to the appropriate appointing office head, the union will comply with the submission requirements of Article 8, Section 2C.

- C. The Employer will have ten (10) work days to submit a response.
- D. At the end of the ten day period for the submission of the Employer's response, the parties will comply with the procedures of Article 8, Section 2 D-H.
- E. National or local institutional grievances over the application or interpretation of this agreement may also be redirected to this expedited grievance process once the Employer has issued a final step response or been at the final step for more than 20 workdays without a resolution.

ARTICLE 7. NEGOTIATIONS

Section 1

- A. This agreement may be reopened by either party simultaneous with the midterm reopener of the NORD/NC V agreements or the term reopener.
- B. Any national agreements negotiated in response to the Employer's intention to create one or more divisions will be initiated and conducted in accordance with the procedures identified in Article 3, Section 3 above and Article 8.
- C. Any national agreements negotiated in response to the creation of one or more divisions may be reopened at the conclusion of the NORD/NC V agreements. These negotiations will be done under the expedited negotiation process in Article 8 of this agreement. However, this does not bar the parties using their normal rights to initiate midterm changes found in Article 47 of the NORD/NC V agreements to address subsequent changes within a division.
- D. Any local agreements dealing with AWS, Flexiplace, or Awards may be reopened below the national level only in response to the procedures contained in the NORD/NC V agreements.
- E. Any local agreements other than those identified in D above may be reopened by either party during the bargaining phase of the rollout of any division.
- F. The midterm reopener of the NORD/NC V agreements found in Article 52, Section 4 of those agreements will be postponed and may now be exercised by either party during the month of October 2000. These negotiations must be concluded by February 15th, 2001. (In addition Article 52 "Duration" may be opened as a "new" article.)
- G. Where the bargaining right or obligation would involve Counsel employees and the need to change their term agreement similar to the situations outlined in A, C and F above related to NORD/NCA units, the time for reopening will be the normal time expressed in any term agreement that applies to them at the time.

Section 2 Status Quo

- A. In connection with the establishment of a new division, as used by the parties herein the term status quo is intended to mean the maintenance of existing conditions of employment affecting the working conditions of employees who have been identified for realignment/reassignment, which have been established in one or more of the following manners:

1. Contractual, i.e., by existing agreements between the parties at the national and/or local levels;
2. Rule, regulation, procedure and/or policy;
3. Past practice.

The duty to bargain under the Federal Labor Management Relations Statute (FLMR) and this agreement requires that the Employer meet its obligation to negotiate prior to making changes in established conditions of employment. This duty includes the obligation to provide the Union specific notice in advance of a change and an opportunity to bargain. Moreover, the Employer is required to delay making proposed changes to working conditions not only while bargaining is ongoing, but also after an impasse in bargaining has been reached so long as the Union diligently pursues resolution of the impasse. The Employer may implement once the impasse is resolved.

B. Examples of the above used for illustration only include:

1. The location of where employees perform their assigned work;
2. Local travel and reimbursement practice and policies,
3. Inclement weather practices,
4. Awards allocations practices, and
5. Equipment distribution practices

ARTICLE 8 EXPEDITED NEGOTIATIONS PROCESS

Section 1

Those negotiations listed in Section 3 of Article 3 which provide for an expedited negotiation process will be conducted consistent with the provisions of NORD/NC V, Article 47 subject to the following differences:

A. The Union's bargaining team may include up to seven (7) bargaining unit members who represent employees impacted, unless otherwise specifically agreed between the parties.

B. Following the notice, the parties will meet within seven (7) calendar days to establish a bargaining schedule which will include briefings, data sharing, negotiations, dispute resolution and/or impasse process.

C. The parties agree that this bargaining, including impasse procedures, will be completed within ninety (90) calendar days following the date of the notice, so long as the employer has not initiated a second bargaining phase during that 90 day period. If it has, the second bargaining obligation will not have to be completed until 90 days after the first ends. The parties are encouraged to consolidate bargaining in such circumstances.

D. Nothing stated within these ground rules compromises the Union's entitlement to obtain data from the Employer that the FLMR Statute would otherwise entitle the Union access to, in order to properly negotiate over this matter. If needed, the time lines listed above will be reasonably modified per E below to allow time for the Employer to provide the Union the data and the Union to make appropriate adjustments in its proposals, interests and arguments.

E. Any disputes regarding: 1) the necessity or relevancy of requests by the Union for data; or 2) the reasonableness of the extra time provided the Union to make adjustments to its proposals, interests and arguments as a result of that data, or 3) the ability of the Union to make adjustments to its proposals, interests, and arguments as a result of the data will be processed in accordance with Section 2 of this Article. The determination of whether bargaining will continue absent the requested information may also be the subject of resolution under Section 2.

Section 2

- A. When a negotiation's impasse or informational data dispute has been declared by either party, the parties will jointly contact by telephone the designated factfinder who has been selected by the national parties, to advise the factfinder of the impasses/dispute.
- B. The parties shall select three (3) fact finders and place them on a list in alphabetical order. Selection of these fact finders shall be rotated as disputes occur. More may be added by mutual agreement.
- C. The parties will submit their final proposals, or statements of position in cases of informational data disputes, and any supporting documentation to the factfinder within six (6) workdays of the initial telephone contact.
- D. The factfinder shall determine the appropriate resolution process, including last best offer (issue by issue) or amendment and/or modification of final offers, grievance arbitration, etc.
- E. Within two (2) weeks (ten (10) work days) after submission of the parties' final proposals, the factfinder will contact the parties via conference call(s) to discuss the offers or positions. If resolution is not obtained, the factfinder will issue a final written recommendation (or final and binding arbitration decision in the matter of a grievance over the denial of information) within the two (2) week period. If he or she calls for a face-to-face meeting or hearing, it must also be completed within this two-week time frame.
- F. If a face to face meeting or hearing is held, the fact finder shall issue a final written recommendation within five (5) days of the meeting or hearing.
- G. Disputes with the factfinder's recommendations will be resolved pursuant to 5 USC 7119, or other appropriate provisions of 5 USC 7101, et. seq. Challenges to final and binding grievance arbitration decisions will be appealed through 5 USC Section 7122. The party that moves such remaining disputes to the statutory resolution process carries the burden of proof regarding the reasons the factfinder's report or arbitration decision does not resolve the issue(s).
- H. If a dispute is moved to the statutory process, the party that has moved the dispute to the statutory process will pay the full cost of the factfinder who produced the decision. Should neither party nor both parties object, the costs of the factfinder will be shared by the parties.

ARTICLE 9. PARTNERSHIP

- A. The parties remain committed to a continuation of their joint partnership efforts. Partnership is broadly defined as influencing the organization's direction and decisions that directly affect employees, via pre-decisional input and interest-based problem solving.
- B. To this end, The National Partnership Council will make recommendations to the Commissioner and the NTEU President regarding delineation of the future role of partnership in the modernized IRS including measuring the success of the modernization effort from a labor-management partnership perspective. Additionally, the National Partnership Council (NPC) will specifically address how/where partnership will be implemented. Until such determinations can be made the following will apply:
1. Existing partnership councils' will continue to function until superceded by the new configuration;
 2. NTEU National will be provided written notification regarding the establishment of all management boards or similar activities;

3. Until the NPC modifies the existing partnership agreement, NTEU will be afforded participation on all management boards except those dealing with purely internal managerial matters such as labor relations strategy, and managerial selections; and
4. Until NPC modifies the existing partnership agreement, the union will be given out of every three seats filled one seat on the newly established boards noted in subsection 2 herein. Union representatives will receive official time, and reasonable travel and per diem to travel to/from and to participate in these boards.

ARTICLE 10. WORKFORCE TRAINING AND CAREER DEVELOPMENT

The Employer will provide employees with the specific training necessary to perform assigned duties and responsibilities. The Employer further agrees to provide retraining to any employee who, as a result of restructuring, is realigned/reassigned to, or placed in, a new position, or a position with duties and responsibilities that are substantially different from his or her previous position. In all cases specific job-related training and retraining efforts will take place on duty time.

For purposes of placement into the positions to be filled pursuant to this agreement, the parties agree that IRS will use the minimum qualification requirements to qualify employees for placement consideration in the transition process.

The parties are committed to working, through their joint membership on the HR Policy Council, to establish an HR Investment Fund that is used to promote the training and development of employees. Absent agreement otherwise, the fund will be no less than 2% of the Service's annual base training budget.

ARTICLE 11. TERM CONTRACT INTEGRATION

Realizing that the movement to a divisional structure with new appointing offices will create some confusion around the application of the NORD/NC V contract, the parties have expressed their intent in Attachment I as to how many of these issues are to be resolved. Because the attached list is not all inclusive, similar issues that are not specifically addressed should be resolved using similar approaches.

ARTICLE 12. APPROVAL AND REOPENER

A. This agreement will become effective thirty-one (31) calendar days following its execution and submission for agency head approval consistent with 5 USC 7114 (c).

B. All national agreements entered into between the parties at any and all levels of the organization are supplemental to NORD/NC V and must be submitted for agency head approval, consistent with 5 USC 7114 (c), prior to their being effective.

ATTACHMENT I

General

Where the term appointing office is used, it will continue to have the same meaning as it did under preexisting conditions, e.g., offices under the control of District Directors. This will continue until changes are negotiated by the parties.

All Committees will continue to operate, e.g., EEO, Health and Safety, LMRC, etc. within the bounds of the preexisting appointing office until the offices ceases to exist or until these committees are replaced by a subsequent agreement..

All current briefing and information exchange processes will continue as before, e.g., NORD/NC V Article 8, Section 6.

NORD/NC V Article 9- Stewards and Official Time

Section 1 The chapters currently appointed stewards and their assignments will continue as will the chapters' right to appoint and assign as if the preexisting appointing office structure were in place.

Section 2 Chapters will continue to get the same amount of bank time as they did in the prior years of the contract.

Reports will be filed with the same official positions as they are today, e.g., first line managers.

ATTACHMENT II

Restructuring Exceptions

The unique circumstances surrounding the establishment of new positions in the Taxpayer Advocate Functional Division and certain Operating Divisions require that the existing workforce in these divisions, comprised of similar positions and graded personnel be filled as an exception to the general placement provisions of Article 4, Realignment/Reassignment Procedures in the Establishment Phase. These exceptions are made as follows:

1. Large and Mid-size Businesses (L&MSB) Operating Division

- All CEP Revenue Agents (including GS-12 and GS-13);
- Specialists and Specialty groups including International, Computer Audit, Engineers, Economists, Financial Product, Issue and Industry Specialists;
- All General Program GS-13 Revenue Agents (except Excise, Employment, Estate & Gift and Special Enforcement);
- GS-12 Revenue Agents who were competitively selected for existing Examination Division Large Business Examination (LBE) groups.
- Remaining GS-12 positions will be identified using the following impacted pool criteria:
 - *1st group of Impacted Employees: GS-12 revenue agents who have applied more than 75 percent of their DET to Activity Code 217 and above cases over the previous twelve months.
 - *2nd group of Impacted Employees: GS-12 revenue agentsmore than 50 percent....
 - *3rd group of Impacted Employees: GS-12 revenue agentsmore than 25 percent....
 - *4th group of Impacted Employees: GS-12 revenue agents25 percent or less....

If all employees are not realigned/reassigned from within any one of the above groups, EOD will be used to determine who will be realigned/reassigned from the group.

For purposes of this exception, required work is defined as time spent on both principle and related returns. The above actions occur within Article 4, Steps 1-3 of this agreement.

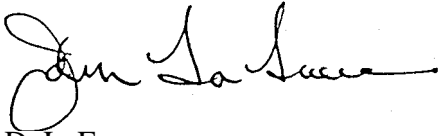
2. Taxpayer Advocate (TA) Functional Division

Taxpayer Advocate newly established positions will be filled through competitive process as outlined in Article 4 Step 7, of this agreement. Support staff positions which remain unchanged and will continue in the new organization will be filled using procedures in Article 4, of this agreement.

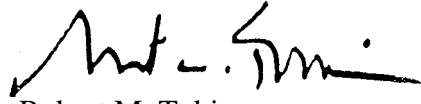
3. Information System Employees - Chief Counsel

Information System employees currently apart of Chief Counsel's Organization will be placed in the new organization in accordance with this agreement.

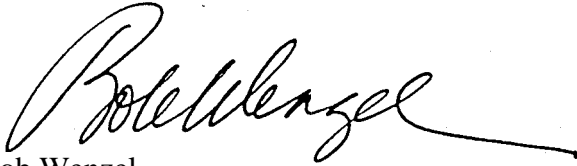
THIS AGREEMENT IS ENTERED INTO ON APRIL 28, 1999, AT WASHINGTON, D.C.



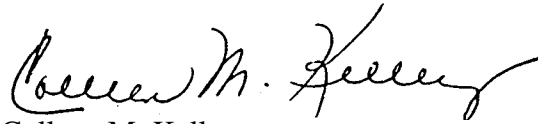
John D. LaFaver
Deputy Commissioner Modernization



Robert M. Tobias
NTEU National President



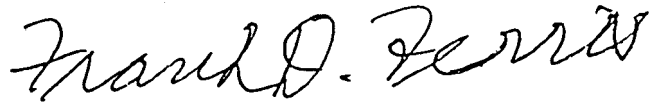
Bob Wenzel
Deputy Commissioner Operations



Colleen M. Kelley
NTEU National Executive Vice President



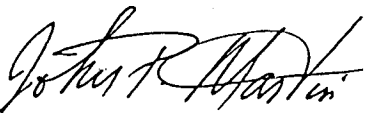
Robert C. Wilkerson
A/C Customer Service
Chairperson, IRS Negotiating Team



Frank D. Ferris
NTEU Director of Negotiations



Kelly L. Cables
Assistant Director Kansas-Missouri District
Co-Chairperson, IRS Negotiating Team



John P. Martin
Director, Office of Labor Relations

IRS Negotiating Team Members

Beverly Adams
Collection Field Branch Chief
Southern California District

Mark Bernstein
Assistant Chief, Compliance Division
Brookhaven Service Center

Michael Goldman
Technical Assistant to the
Assistant Chief Counsel (GLS)

Roger N. Groth
Chief, Support Services
St. Louis Host Site

Jean S. Kluttz
Planning Officer

John Risacher
Chief, Coordinated Examination Branch
Pennsylvania District

Rosie Slaughter
Chief, EP/EO Division
Midstates Key District

Gwenetta Williams
Chief, Field Examination Branch
Los Angeles District

NTEU Negotiating Team Members

Jacqueline Bordoli
President, Chapter 38
Southwest District

William Cahill
President, Chapter 25
Kentucky-Tennessee District

Roland Griggs
President, Chapter 15
Los Angeles District

David Hayes
President, Chapter 45
Arkansas-Oklahoma District

Frank Heffler
President, Chapter 47
Manhattan District

Michael Peacher
National Vice-President
District 4

Henry Powell
President, Chapter 62
Delaware-Maryland District

IRS Support Team Members

Susan E. Greenstein
Personnel Management Specialist

Marvin Hymanson
Computer Specialist

Jerry L. Lalu
Labor Relations Team Leader

Sandra A. Moody
Executive Assistant
A/C Customer Service

Susan "Bruce" Nolan
OD Specialist
North-South Carolina District

David L. Olson
Labor Relations Specialist

Diane Stirling
Labor Relations Team Leader
Metro North

Russell Stokes
Labor Relation Specialist

