

Department
of the
Treasury

Internal
Revenue
Service

Office of
Chief Counsel

Notice

N(30)000-313a

November 23, 1998

Change in National
Subject: Resource Center Procedures

Cancellation Date: May 22, 1999

This Notice modifies Notice N(30)000-313 which established new procedures for consideration of issues arising from the Restructuring and Reform Act (RRA). This Act, which was signed into law on July 22, 1998, required some dramatic changes in the procedures and methods employed by Examination, Collection, and numerous other functions of the Service. Notice N(30)000-313 advised all offices of procedures instituted by the Chief Operations Officer (COO) to coordinate policy and program questions and ensure the uniform development of RRA positions. That Notice also set forth Chief Counsel procedures to complement those procedures adopted by the COO.

The National Resource Center (NRC) has been operational since late July 1998. Under its procedures, more than 700 questions have been forwarded to the NRC by Restructuring and Reform Act Coordinators (RRACS), and have been answered by the functional representatives, including Counsel, of the NRC. The NRC has established an intranet web site (<http://www.hq.irs.gov/programs/nrc/index.htm>) where answers to the questions have been posted, along with important explanatory documents (including summaries of each provision prepared by Chief Counsel), and directory memoranda issued by the functional directors or the Chief Operating Officer. The NRC has successfully fulfilled its purpose of providing immediate coordinated guidance to the RRACS (for further transmission to district employees), as well as providing program guidance to all Service employees.

By this time, most of the questions requiring immediate attention have been answered. While additional procedural issues requiring coordinated functional responses from the National Office will continue to surface, the bulk of recent legal issues presented to the NRC have focused upon very fact-specific situations requiring application of either previously-supplied legal guidance to specific situations or application of rules that antedated RRA. This type of question generally requires discussions between a legal advisor and the employee who is handling the case. Thus, most questions can more suitably and efficiently be handled by local district counsel under established local relationships rather than by referral to the NRC and from the NRC to National Office. While there may still be the need for Counsel in the National Office to become involved in some issues, it appears that, generally, the more traditional district counsel advice process is appropriate in these cases. It has been

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decided to generally return to the traditional avenues for advice, modified somewhat so that the benefits of the NRC are retained. Therefore, the following procedures are established, **effective December 1, 1998.**

I. SERVICE COORDINATORS AND THE NATIONAL RESOURCE CENTER

Restructuring and Reform Act Coordinators (RRACS) serve a vital purpose and will continue to operate. Their role is to receive and, to the extent possible, provide answers to RRA questions arising within their functional area. Employees with RRA questions should continue to forward their questions to the RRACS.

If the RRAC is unable to answer a question or has questions about the correct answer to the question, he/she will consult the local district counsel office. If, as a result of this consultation, it is believed that the local district counsel can answer the question by applying established legal principles to the facts of the case, district counsel will do so. District counsel will provide the advice to the RRAC, or if more appropriate, directly to the original initiating employee. See generally, the advice procedures for district counsel advice, CCDM (34)(11)16, (34)(11)41 and (35)270.

If, as a result of the consultation, it is believed that the answer to the question turns upon functional operating procedures or requires specific functional guidance, the RRAC will forward the question to the NRC in accordance with existing NRC procedures. The referral should identify the district counsel employee with whom the RRAC has consulted.

Upon the NRC receiving a written inquiry, the inquiry will be forwarded to a member of the NRC who has functional responsibility over the issue (this member is referred to as the prime member). The prime member will coordinate as appropriate and reply to the RRAC within 48 hours (2 business days). If unable to meet the 48 hour requirement, an interim response will be furnished to the RRAC indicating the person working the issue, along with an anticipated completion date. The NRC will review on a regular basis all responses provided to the RRACS and if there is no objection to a given response, the question and response will be placed on an NRC intranet web site.

II. DISTRICT COUNSEL PROCEDURES

District counsel should not be receiving RRA questions from a district employee other than the RRAC. However, district counsel should establish a close working relationship with the local RRACS, and should appoint one or more knowledgeable attorneys who will be available to consult with the local RRACS on an on-going basis. When questions are received by district counsel, district counsel should give the matter priority attention and should immediately (or at least within 24 hours) determine whether the question posed can be answered by the district counsel or should be referred to the NRC. If the matter should be referred to the NRC, district counsel should assist the

RRAC in properly framing the facts and issue so that it can be expeditiously assigned and resolved by the NRC.

If the question can be properly answered by district counsel and the answer is of generic application or needed immediately, district counsel should answer the question within 48 hours or within a time frame agreeable to the RRAC or initiating employee.

If the question involves a legal question of first impression or one as to which Service position is in doubt or not established, reference should be made to the appropriate national office component under normal procedures. See CCDM (34)(11)16 and (35)274. In this referral, the district counsel should state that the question was received from the RRAC, involves interpretation of RRA, and the time frame in which the answer is needed.

III. NATIONAL OFFICE CHIEF COUNSEL PROCEDURES

In light of the changes in procedure described above, it would be rare that Counsel would be determined by the NRC to be the prime member for a particular question received by it. However, if the NRC does designate Counsel as the prime member with respect to any question, the procedures outlined in Notice N(30)000-313 will continue to be followed.

When national office counsel receives referrals from district counsel with respect to legal interpretations of the provisions of RRA, those referrals should receive priority consideration so that an answer can be provided within the time frames specified in the request. If the question and answer would be of general nationwide interest, a copy of the question and answer should be sent to Daniel J. Wiles (for Domestic, GLS and EBEO questions) or Peter Devlin (for GL questions) so that they can be included in the NRC web site.

Other functional members of the NRC may continue to call upon national office Counsel to assist the function that is primarily responsible for NRC questions. The Counsel contacts will lend whatever assistance is necessary, remembering the 48 hour response time requirement. Counsel contacts should treat these assistance efforts as informal advice provided to the prime member function, as this primary function will ordinarily formulate the final response to the field RRAC.

These procedures are effective **December 1, 1998**.

If you have any questions regarding these procedures, you may contact Daniel J. Wiles at 202-622-4510.

/s/

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