

## **IRS AND NTEU REACH IMPORTANT MODERNIZATION MILESTONE**

WASHINGTON - The Internal Revenue Service and the National Treasury Employees Union today announced an agreement that will establish guiding principles to further the reorganization efforts of the IRS.

"This labor-management agreement represents yet another important step forward that we're taking as partners in the modernization of the IRS," said Commissioner Charles O. Rossotti. "It clearly demonstrates the real progress we're making together."

NTEU President Bob Tobias called the agreement "a very positive step in the process to establish the new IRS. I believe we have achieved our goals of providing certainty, stability and clear expectations in a changing work environment. It provides the important basis for moving to the next phase of the reorganization."

The agreement came after weeks of interest-based negotiations, but without any need for arbitration. It builds on an existing labor-management contract and breaks new ground with several concepts and approaches for a wide variety of Management and Union interests.

Among the key issues jointly identified by the NTEU and Management are:

- The creation of a basic framework and schedule on how each division will be established and implemented.
- A commitment to provide adequate training for all employees impacted by the new organization.
- A commitment to devote no less than two percent of the annual base training budget to fund training and career development activities for those employees who want to take advantage of the new career opportunities.
- The establishment of expedited processes for bargaining and dispute resolution.

"The agreement takes into account many different needs and interests--and a lot of common goals too, such as giving our employees the skills, training and knowledge they need to get the job done and to reach their full potential," Rossotti said.

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-2-

Tobias stressed that the agreement is just the beginning of the bargaining process NTEU will go through with the IRS as the reorganization proceeds.

A number of joint activities are planned to provide IRS employees with additional detail and guidance. The implementation of the final design plans will occur over the next few years.

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