

mark and other positions in the pool are not sold.

The IRS and the Treasury Department are similarly concerned about the consolidation and de-consolidation of the business structure. Comments are requested on the impact of the consolidation and de-consolidation on determining whether the same securities and commodities will be reflected on both the financial statement and the tax return.

The IRS and the Treasury Department are considering rules that would require electing taxpayers to maintain and, if requested, provide to the Commissioner in a timely manner the following records: (1) Books and records clearly establishing that the values used in determining gain or loss under section 475(a) for eligible securities or commodities were the values used in the financial statement; (2) for taxpayers filing a Form 1120, a reconciliation of the amount of net income reported on the financial statement to the amount reported on line 1 of the Schedule M-1 on the Form 1120, Corporate Income Tax Return; and (3) for other taxpayers, a similar reconciliation schedule. The documents for reconciliation purposes include supporting schedules, exhibits, computer programs used in producing the values and schedules, and documentation of rules and procedures governing determination of the values. Books and records would include all those that are required to be maintained for financial or regulatory reporting purposes, even if those books and records are not specifically covered by section 6001. Comments are requested on whether less burdensome recordkeeping requirements could be developed that would still allow for effective verification of conformity.

The IRS and the Treasury Department are considering situations in which the Commissioner should enter into agreements with specific taxpayers establishing which records would have to be maintained, how the records would have to be maintained, and how long the records would have to be retained. Because an agreement would be tailored to a particular taxpayer's operations and environment, it is expected that an agreement would arise only after individual negotiations. Although no taxpayer would be entitled to an agreement, an agreement based on an early understanding of a taxpayer's operations would be in the best interests of tax administration and, therefore, would be encouraged.

E. Eligible Taxpayers

The safe harbor is being considered for dealers in securities under section

475(c)(1). Whether the safe harbor would also be extended to securities traders, dealers in commodities, and commodities traders would largely depend on whether the extension would comport with the principles described in the Overview.

F. Eligible Securities and Commodities

Section 475 applies to a wide variety of securities and commodities. It is relatively easy for both taxpayers and the IRS to determine the fair market value of positions for which pricing information is readily available, such as most actively traded personal property. The need for a safe harbor is most pressing for positions for which pricing information is not readily available, including more complex notional principal contracts and derivative instruments, and hedges described in sections 475(c)(2)(D), (E), and (F). Comments are requested on what securities should be included in the safe harbor.

Commodities raise problems similar to those for securities, so the need for a safe harbor is similarly pressing for commodities (including commodities derivatives) for which pricing information is not readily available. Comments are requested addressing application of a safe harbor for commodities.

G. Comments on Other Valuation Methodologies and Safe Harbors

Comments are requested on whether there are other methodologies for determining fair market values under section 475. Comments are also requested on whether other safe harbors could act as proxies for fair market value under section 475.

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FEDERAL MEDIATION AND CONCILIATION SERVICE

29 CFR Part 1480

RIN 3076AA10

Access To Neutrals Initiative

AGENCY: Federal Mediation and Conciliation Service.

ACTION: Proposed rule.

SUMMARY: The Federal Mediation and Conciliation Service is proposing a new regulation to establish an Access to Neutrals Initiative. The main function of

the Access to Neutrals Initiative is to provide a Registry of Neutrals—a list of individual dispute resolution providers who have documented their qualifications according to criteria outlined in the regulation in the categories of ADR experience, ADR education/training, substantive education in the content area and experience in the content area. The proposed Access to Neutrals Initiative also includes informational, ethical and continuing education requirements for individuals on the Registry of Neutrals as well as a consumer complaint process. The proposed regulation provides for clients to access the Registry by Web site or by request from FMCS.

DATES: Written comments must be submitted to the office listed in the addresses section below on or before July 7, 2003.

ADDRESSES: Send comments to Peggy A. McNeive, Acting Director of the Access to Neutrals Initiative, FMCS, 801 Walnut, Suite 501, Kansas City, Missouri 64106.

FOR FURTHER INFORMATION CONTACT: Peggy A. McNeive, Telephone: (816) 374-6215; Fax (816) 374-6026.

SUPPLEMENTARY INFORMATION: The Federal Mediation and Conciliation Service ("FMCS" or "the Agency") is experiencing rapid growth in demand for its mediation and related alternative dispute resolution (ADR) services that may soon exceed the Agency's capacity to provide these services through its in-house staff of 200 professional mediators. Requests for ADR processes by other federal agencies, state governments, political subdivisions of states (agencies, cities, school districts, etc.) and other entities have added to FMCS' original mission to provide assistance in labor collective bargaining. Clients seek mediation and ADR services from FMCS for many types of disputes in addition to labor, including employment, public policy and multi-party regulatory negotiation disputes. Even greater numbers and different types of clients may seek assistance from FMCS in the future because of the leadership and credibility of FMCS in the area of dispute resolution. To meet the anticipated surge in demand, FMCS is proposing this regulation to provide its expanding base of clients with ready access to a pool of professional, private-sector neutrals equipped to handle workplace and organizational disputes arising outside of the labor/collective bargaining arena.

The Access to Neutrals Initiative (ANI) embodied in the proposed regulation would establish a registry of highly qualified private-sector neutrals,