

Alternative Means of Dispute Resolution

Effective Date: 08-JUL-11

Effect on Previous Action: Originally adopted 16-JUL-92 ([see 57 FR 33198, July 27, 1992](#)); amended 30-MAY-96; amended 10-FEB-97; amended 08-JUL-11.

Source of Authority: Administrative Dispute Resolution Act of 1996, Public Law 104-320, 110 Stat. 3870 (1996), and codified at 5 U.S.C. 571 et seq.

The Administrative Dispute Resolution Act of 1996 (Act), addresses the concern that traditional methods of dispute resolution, such as litigation and administrative adjudication, have become increasingly time-consuming and expensive. The Act authorizes and encourages greater use of alternative means of dispute resolution (ADR), requiring each Federal agency to adopt a policy addressing the use of ADR.

ADR consists of informal, voluntary procedures used by parties who seek to resolve their disputes by consent. Such procedures include, but are not limited to, mediation, conciliation, facilitation, fact-finding, arbitration, and mini-trials, or any combination thereof. By emphasizing the common goals of the parties and fostering an atmosphere of cooperation, ADR can offer a less contentious and more expeditious alternative to traditional methods of dispute resolution such as litigation and administrative adjudication.

The use of ADR in appropriate circumstances is consistent with the Farm Credit Administration's (FCA or Agency) mission as an agency. To promote a safe and sound, competitive Farm Credit System, the FCA always strives to effectively and efficiently manage its resources. By expediting the resolution of certain disputes, ADR can reduce the FCA's transaction costs, increase the FCA's productivity, and help the FCA accomplish its goals.

THE FCA BOARD HEREBY ADOPTS THE FOLLOWING POLICY STATEMENT:

It is the policy of the FCA to resolve disputes in an effective and efficient manner. Many of the disputes encountered by the FCA are resolved most effectively and efficiently through settlement negotiations between the FCA and the other parties to the disputes prior to the initiation, or in the early stages of, more formal litigation or administrative adjudication. The FCA will continue to use settlement negotiations as a method of dispute resolution.

In addition, the FCA will consider whether it is appropriate to use ADR when a dispute arises. In assessing the advisability of using ADR procedures, as defined in 5 U.S.C. 571(3), the FCA will consider whether such procedures are likely to reduce the FCA's transaction costs, increase the FCA's productivity, and help the FCA accomplish its goals of effective regulations and policies and the enhancement of FCA's effectiveness and cost efficiency. The FCA will also consider the factors set forth in 5 U.S.C. 572(b) in deciding whether it is appropriate to use such ADR procedures.

The FCA's Dispute Resolution Specialist (ADR Specialist), designated by the Chairman, is responsible for the implementation of this policy statement. The ADR Specialist is available to assist FCA personnel in considering the appropriate application of ADR procedures. Before deciding whether it is appropriate

to use an ADR procedure, FCA personnel will consult with, and obtain the concurrence of, the ADR Specialist or his or her designee.

The ADR Specialist and those FCA personnel involved in resolving disputes are encouraged to attend educational and training programs relating to the theory and application of ADR on a regular basis, as the FCA budget permits.

Based on the voluntary nature of ADR, all parties to a dispute must agree to use an ADR procedure before it can be initiated.

DATED THIS 8th DAY OF JULY, 2011

BY ORDER OF THE BOARD

Dale L. Aultman
Secretary to the Board