



# Memorandum

Subject: **ACTION:** FY 2002 Facilities and  
Equipment (F&E) Funding Suspension

Date: FEB 27 2004

From: Acting Assistant Administrator for  
Financial Services/CFO

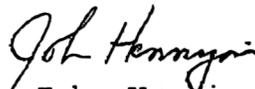
Reply to  
Attn. of:

To: Management Board

As in previous years, FAA is required by law to fund the Essential Air Service (EAS) from fees collected or other funds available to the agency. Since the status of overflight fees has not been resolved, it has been decided that the \$50 million EAS payment will come from the Facilities and Equipment appropriation. In addition to EAS, unplanned obligations that have occurred as a result of wind, flood and fire damage to FAA facilities and equipment must be funded. As a result of these funding issues, it has become necessary for me to suspend further obligations of funds in this account.

Therefore, effective March 1, 2004, all remaining FY 2002 uncommitted F&E funds are "FROZEN" and no further commitments are authorized. Then, effective March 30, 2004 all remaining FY 2002 unobligated F&E funds are "FROZEN" and no further obligations are authorized. Programs adversely impacted by the loss of the FY 2002 funds are advised to consider alternative funding approaches to minimize disruption. Any exceptions to this policy must be well documented and provided to the Director of Budget, (ABU-1) by March 15, 2004 for review.

Thank you for your cooperation in addressing these urgent problems. If you have any questions, please contact Carl Burrus at (202) 267-9025.

  
John Hennigan