



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

# Memorandum

Subject: **ACTION:** Air Traffic Organization Financial  
Operating Guidance

Date: April 27, 2004

From: Senior Vice President, Finance

Reply to  
Attn. of:

To: All Air Traffic Organization Vice Presidents

The ATO is facing several interrelated challenges this year that demand fiscal constraint. First, we have significant payroll shortfalls that require us to control staffing and look for offsets in our non-payroll accounts. Second, we are experiencing startup problems with our new accounting and procurement systems. As a result, we do not have a clear picture of our current financial situation. Finally, the ATO Activity Value Analysis (AVA) process is only half finished. The AVA process is designed to help us further tailor and streamline the ATO organization and resource deployment. For all of these reasons, it is imperative that we “go slow” financially.

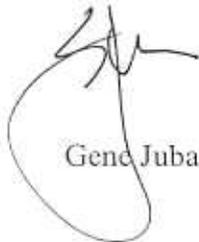
As we discussed, I am providing the following guidance to address these issues.

- The ATO remains under a hiring freeze for all positions and all appropriations. You may not hire from outside the ATO and you may not exceed your FY 2003 end of year on-board staffing numbers. Internal movements are permitted but you must assess and discuss the impact of the movement with the gaining and losing organization. Any permanent change of station (PCS) moves should be considered carefully. We are likely to require a number of PCS moves to balance staffing across the systems which would reduce our total PCS funds. Confirm availability of funds with your finance staff prior to any personnel action. Exceptions MAY be considered by the Executive Council.
- No increase support contract staff. As you assess your new organization I expect you to implement a “value added” philosophy to each staff member and function and align yourself for efficiency. This does not apply to contractors hired under approved facilities and equipment (F&E) projects.
- Freeze on promotions other than regular step increases.
- Reimbursable positions that are 100 percent covered by signed reimbursable agreements may be filled, providing you ensure that payments for these reimbursable agreements are collected in advance for all non-Federal agreements and at a minimum by the time the work is rendered. You must ensure that we do not draw down on the direct appropriation.
- Continue to aggressively manage overtime, including backfills.

- You must ensure prudent travel, training and other discretionary decisions. As evidenced with the FY 2004 appropriations language, Congress is concerned over our travel costs and I look to you to monitor and oversee travel management within your organization.

We have initiated an activity to receive employee recommendations on cost savings ideas. To date, we have received a total of 225 inputs, have implemented one, and have closed 12. We are in the process of doing financial analysis on seven items and actively working 50 issues that appear to have near-term benefits. Our employees recognize cost efficiencies and expect management to take the lead, i.e. closer watch on travel expenditures, cell phones, and bulk distribution of orders and manuals. These are generalized themes that are popping up on a regular basis.

If you have any questions or need additional information, please contact your Director /Manager of Finance or liaison.



Gene Juba