



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

# Memorandum

Subject: **ACTION: Managing Under a Continuing Resolution**

Date: OCT - 8 2004

From: Assistant Administrator for Financial Services/CFO

Reply to  
Attn. of:

To: Management Board

Since Congress did not complete the fiscal year (FY) 2005 appropriations bills by the start of the year, a Continuing Resolution (CR) has been enacted to keep the Federal government from shutting down pending final passage of the remaining bills. The Department of Transportation's appropriations bill has not been enacted; therefore, FAA is operating under a CR. Generally, Federal agencies under a CR must operate at the same spending rate as the previous FY or the FY 2005 House or Senate mark, whichever is lowest. The purpose of this memorandum is to impose spending constraints and issue allowances for the current CR, which provides continuing appropriations from October 1, 2004 through November 20, 2004.

## I. Exercising Fiscal Constraint

When FAA operates under a CR, you cannot start new initiatives or activities outside the scope of the existing authorization. Until such time as different guidance is provided, you and your managers must limit all obligations regardless of appropriation to those that are clearly needed to meet operational and legal requirements, to protect and maintain agency facilities, and to safeguard employees. Other obligations, such as those for non-operational purposes and for operational purposes that can be delayed without adverse impact, should not be incurred. This means that, except in the most unusual of circumstances, you and your managers should not obligate funds for non-operational travel (site visits, internal conferences, workshops, and meetings), awards, non-technical training, office equipment, furniture purchases, and space renovation. Special attention should also be paid to travel from the U.S. to foreign destinations, making sure that any trip is absolutely mission essential and the number of participants is limited to the fewest necessary.

For Facilities and Equipment and Research, Engineering, and Development, the annual spending rate on specific budget line items should not exceed the lowest of the following four funding levels: the FY 2004 level, the FY 2005 House Mark, the FY 2005 Senate Mark, or the FY 2005 President's Budget.

Although I am not recommending a total hiring freeze in Operations, Airports, or Research at this time, you are strongly encouraged to limit hiring to those positions that you personally deem critical, and can support within the level of resources provided. In Facilities and Equipment, however, the guidance issued on May 27<sup>th</sup> remains in effect due to the difficult budget outlook.

These restrictions include a hiring freeze as well as restrictions on awards, Permanent Change of Station (PCS) moves, overtime and travel. Requests for waivers will be considered; however, the appropriate Associate/Assistant Administrator must submit them to the Budget Office.

During the period of the CR, you may fund any project, program, or activity that was an approved project, program, or activity in FY 2004. No new starts are allowed while operating under a CR. In funding an approved project, program, or activity, the term of the obligation is limited to the period of time covered by the CR unless a longer-term obligation was made for the project, program, or activity during the same period last year. In this case, you may obligate funds for a comparable period of time this year while operating under a CR. In no case, however, may you obligate more funds than are available for obligation under the CR. This guidance applies to all projects, programs, and activities funded by the FAA irrespective of appropriation.

II. Allowances Under the Current Continuing Resolution

The tables below provide the allowances under the current CR, which runs through November 20, 2004. The allowance methodology is based on information from the Office of the Secretary of Transportation and the Office of Management and Budget (OMB Bulletin 04-05, *Apportionment of the Continuing Resolution(s) for Fiscal Year 2005, 9/30/04*). The calculation assumes funding for 51 days at the FY 2004 level for each organization. It would be a violation of the Anti-Deficiency Act to obligate funds in excess of the amounts listed.

Operations Appropriation  
 Allowance Levels  
 Under the Continuing Resolution  
 Through November 20, 2004

Air Traffic Services	\$837,072,727
Regulation & Certification	121,510,133
Research & Acquisitions	30,110,648
Commercial Space Transportation	1,628,351
Regions and Centers	12,002,310
Human Resource Management	10,454,981
Financial Services	6,795,409
Information Services	4,101,486
Administrator/Deputy Administrator	583,450
Emergency Operations and Communications Center (now under ASH)	681,271
Chief Counsel	4,419,956
Policy, Planning, and Environment	1,577,547
International Aviation	1,667,446
Government & Industry Affairs	172,414
Public Affairs	579,564
Civil Rights	1,200,220
System Safety	1,486,454
Office of Security and Hazardous Materials	7,176,022
<b>Total Operations</b>	<b>1,043,220,388</b>

Facilities and Equipment Appropriation  
Allowance Levels  
Under the Continuing Resolution  
Through November 20, 2004

Activities 1 through 5

Activities 1 through 5	\$241,308,814
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Activity 6 Allocation

Air Traffic Organization	\$52,876,671
Environment and Energy	5,868
Regulation and Certification	1,267,874
Information Services	138,608

Research Appropriation  
Allowance Levels  
Under the Continuing Resolution  
Through November 20, 2004

RE&D	\$14,280,978
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Airports Appropriation  
Allowance Levels  
Under the Continuing Resolution  
Through November 20, 2004

Personnel & Related Expenses	\$9,202,789
Grants-in-Aid for Airports	460,284,767
Small Community Air Service	2,778,033

I am aware that these guidelines and the requirement to manage your programs at last year's funding levels will cause hardship. However, not knowing how long the agency may be required to operate at highly restricted funding levels, it is prudent to impose these guidelines.

If you have any questions regarding your authority to spend or wish to discuss this guidance, please contact Alex Keenan at (202) 267-8010.



Ramesh K. Punwani

Attachment

Calculation of Operations Allowances

	FY04
	appropriated
FAA Operations Trust Fund	4,500,000,000
Appropriation, P.L. 108-199	-4,450,000
WCF Resession/Reduction from DOT	-26,550,000
Admin rescission, P.L. 108-199	0
Unobligated balances EOY FY2004	4,468,000,000
BASE RATE	

FAA Operations General Fund	0
Unoblig'd balances SOY 2004	3,030,925,000
Appropriation, P.L. 108-199	-2,835,339
WCF Reduction, P.L. 108-199	-17,882,458
Admin rescission, P.L. 108-199	-11,630,000
Unoblig'd balances EOY 2004	2,998,576,152
BASE RATE	
BASE RATE TOTAL (GF+TF)	7,467,576,152

Lines of Business	FY04	FY04 Adjusted	Oct 1 - Nov. 20 CR
	appropriated	for Unob. Balances	13.9700%
			(51/365 days)
ATS	6,001,262,590	5,991,930,759	837,072,727
AVR	871,147,981	869,793,365	121,510,133
ARA	215,873,605	215,537,926	30,110,648
AST	11,674,208	11,656,855	1,628,351
ARC	86,048,693	85,914,889	12,002,310
AHR	74,955,356	74,838,802	10,454,981
ABA	48,718,628	48,642,872	6,793,409
AIO	29,404,964	29,359,240	4,101,486
subtotal LOB	7,339,086,025	7,327,673,988	1,023,676,045
Staff Offices 1/			
AOA	4,182,954	4,176,450	583,450
ADA-20	4,884,266	4,876,671	681,271
AGC	31,688,188	31,638,914	4,419,956
AEP	11,309,981	11,292,394	1,577,547
API	11,954,496	11,935,907	1,667,446
AGI	1,236,096	1,234,174	172,414
APA	4,155,092	4,148,631	579,564
ACR	8,604,787	8,591,407	1,200,220
ASY	10,656,898	10,640,327	1,486,454
ASH	51,447,370	51,367,370	7,176,022
subtotal SO	140,120,128	139,902,244	19,544,344
TOTAL	7,479,206,153	7,467,576,152	1,043,220,388