



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

Memorandum

Subject: **ACTION**: FY 2005 Financial Guidance

Date:

From: Senior Vice President - Finance

Reply to
Attn. of:

To: ATO Executive Council

As we begin the new fiscal year, the House and Senate have not yet agreed on ATO funding levels for FY 2005. The House mark reduced the Operations request by about \$165M and the Senate by \$57M. Assuming that the conference level will split the difference, our final Operations appropriation should total approximately \$6.411B – \$111M below the President's request of \$6.522B for ATO.

These expected Operations reductions are further complicated by \$20M to \$30M in Congressionally-directed program increases, \$60M+ in unfunded pay raise liabilities, and \$48M in ABA assessments. This means that we will most likely have to cut \$200M to \$250M from our budget request again in FY 2005.

For planning purposes, you should operate within the FY 2005 annual targets previously provided to your comptrollers. Revised Operations targets and initial F&E Activity 6 targets will be issued when we have more clarity on our final appropriations. Guidance for operating under the continuing resolution will be provided under separate cover.

Given the difficult environment and uncertain budget picture, I am implementing the following guidance for the Operations and F&E appropriations:

1. Hiring is prohibited for all ATO positions. Exceptions must be approved by me with concurrence from the Executive Council. Grade-to-grade increases and promotions including those to ATC operations supervisor positions are permitted.
2. Until further notice, there is a moratorium on cash awards with the exception of the SCI program.
3. No new obligations may be incurred for additional contractor support in lieu of the positions lost due to the hiring freeze.

4. Travel shall be limited to that which is directly related to the operation, maintenance, or modernization of the NAS, including technical training travel. Travel to conferences, meetings, workshops, site visits, etc. should be approved at the Director level. Employee coalition travel is authorized only for coalition board members.
5. No additional funds may be obligated for furniture, or equipment. Technical equipment required by technicians for maintenance of NAS systems and equipment is allowed.

Approval of exceptions, for any of the above items, will be confirmed by an email from Chris Reese or me.

Eugene D. Juba

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