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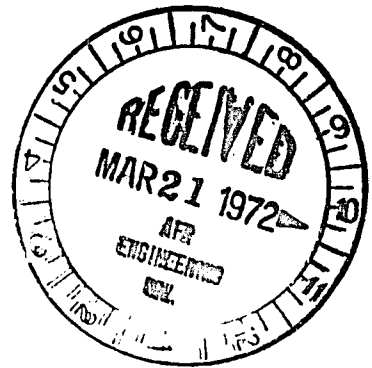
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REPORT ON
Management Consulting Services

FOR THE
Civil Aviation Administration
IMPERIAL ETHIOPIAN GOVERNMENT

September 1970 — December 1971



Systems Analysis and Research Corporation

WASHINGTON, D. C.

FINAL REPORT

MANAGEMENT CONSULTING SERVICES

CIVIL AVIATION ADMINISTRATION IMPROVEMENT PROGRAM

ADDIS ABABA, ETHIOPIA

by

SYSTEMS ANALYSIS AND RESEARCH CORPORATION

WASHINGTON, D. C.

AID LOAN NO. 663.H.015

December 1971

TABLE OF CONTENTS

	<u>PAGE NO.</u>
I. <u>INTRODUCTION</u>	1
II. <u>THE RESTRUCTURING OF CAA</u>	4
REVIEW OF EXISTING ORGANIZATION AND PROCEDURES	4
1. Background	4
2. Review of Past Studies	5
3. The Initial Interview Program	6
THE PROPOSED NEW ORGANIZATION	8
APPROVAL AND ANNOUNCEMENT OF THE REORGANIZATION	10
IMPLEMENTING THE NEW ORGANIZATION	11
1. Identification of Key Functions	11
2. Preparation of Position Descriptions	11
3. Staffing the New Organization	12
III. <u>DEVELOPMENT OF PERSONNEL PROGRAM</u>	14
DESIGNING A SALARY SCALE	14
1. Approach in Constructing the Scale	14
2. Description of the New Scale	15
THE CLASSIFICATION OF POSITIONS	16
PERSONNEL PROCEDURES	17
REQUEST TO CPA FOR DELEGATION OF AUTHORITY	18
IV. <u>ADMINISTRATIVE PROCEDURES AND OPERATING GUIDELINES</u>	20
POLICIES, ORGANIZATION AND FUNCTIONS	20
GENERAL ADMINISTRATIVE PROCEDURES	20
OPERATING GUIDELINES	22
V. <u>FINANCIAL MANAGEMENT</u>	24
FINANCIAL PROCEDURES	24
ESTABLISHING AN INVENTORY	25
THE NEW FINANCIAL ARRANGEMENT	26
FINANCING THE CAA AS AN AUTONOMOUS AGENCY	27
1. Primary Areas of Potential Revenues	28

	<u>PAGE NO</u>
2. Other Possibilities for Increasing Revenues	30
3. Summary	34
THE QUESTION OF SUBSIDY FOR CAA	35
VI. <u>SUPERVISORY TRAINING PROGRAM</u>	37
VII. <u>RECOMMENDATION MADE TO CAA</u>	39
VIII. <u>EVALUATION OF THE PROJECT</u>	49
QUALIFICATIONS OF THE STAFF	49
PROSPECTS FOR FINANCIAL SELF-SUFFICIENCY	51
OPERATING PROCEDURES AND GUIDELINES	52
TRAINING	53
UNRESOLVED PROBLEMS FACING CAA	54
IX. <u>BREAKDOWN OF PROJECT COSTS</u>	57
X. <u>FINAL SHIPPING REPORT</u>	59

I. INTRODUCTION

BACKGROUND

In September 1970, the Civil Aviation Administration (CAA) contracted with Systems Analysis and Research Corporation (SARC) to provide management consulting services. The contract called for SARC "to assist CAA in establishing an organization with adequate authority, power and capabilities to fulfill its responsibilities for the Administration of Civil Aviation in Ethiopia."

The contract became effective on September 3, 1970 and covered a one-year period. However, to provide more time for implementing recommended changes, and to provide supervisory training, it was extended for an additional four months, to January 3, 1972.

SCOPE OF THE PROJECT

Article 3 of the Contract established in some detail the work to be performed under the contract. For reference purposes, the items listed under Article 3 are included here:

1. Review the present organization and administrative procedures of the Civil Aviation Administration (CAA) for the purpose of recommending and assisting in the implementation of improvements in the organizational structure. Review all previous studies and recommendations available and if necessary conduct a financial and management audit of CAA.
2. Develop a scheme of organization for CAA to accomplish the objectives of the contemplated reorganization, and prepare job descriptions showing the responsibilities and duties required by each key position.
3. Develop total staff requirements and personnel qualifications required to man the positions in Item 2 above.
4. Develop necessary clearance functions within each division as related to other divisions within CAA.

5. Prepare an administrative manual and a technical manual that will serve as guidelines for the operation of the CAA organization.
6. Review and revise job classifications and recommend to CAA pay scales based on the revised job classifications, incremental increases and incentives designed to attract and retain qualified personnel. The procedures shall include recommendations for all personnel regulations, training requirements, promotional opportunities and disciplinary procedures and regulations, applicable to CAA and consistent with Central Personnel Agency regulations.
7. Prepare procedural and operational manuals for budgeting, revenue collection and billing, accounting, auditing, property control and procurement and stores.
8. Study existing sources of revenue and suggest additional methods of increasing CAA revenues, looking toward eventual financial autonomy for CAA.
9. Review the existing arrangements regarding the coordination between the Head Office and the Branch Offices.
10. Review the existing procedures for enforcing the law and regulations relative to Civil Aviation in Ethiopia.
11. Identify supervisory training requirements, develop and conduct basic and advanced supervisory courses; train a CAA "Supervisory Training Officer"; evaluate effects of training course; and recommend future actions and procedures for pre-assignment training of newly-selected supervisors" (added by contract amendment No. 2).

FORMAT OF THE REPORT

This report essentially is a chronicle of the work performed, beginning with the initial review and continuing through the implementation period. Major aspects of the program are treated separately, and include discussions of organizational restructuring, personnel program development, administrative and operating procedures, financial management and supervisor development.

The substantive portion of the report concludes with an evaluation of the work accomplished during the period of the contract.

ACKNOWLEDGEMENTS

In an endeavor which spans a period of more than a year, and which includes in its scope the activities of a complete government agency, it is inevitable that contacts will be numerous and close. Under such circumstances, it would be difficult and perhaps inappropriate to identify an individual staff member as having been particularly helpful in the conduct of this program. The cooperation of all CAA staff was outstanding, and relations between SARC and CAA personnel were candid, but most cordial. The many very frank discussions were helpful in assessing the problems, and the extremely pleasant personal relationships greatly facilitated the implementation process.

The assistance and cooperation of Ato Hailu Alemayehou, Administrator of Civil Aviation, is gratefully acknowledged. His understanding of the nature of the work being performed and his very evident desire to improve the organization was helpful to SARC in its efforts. Appreciation is expressed to the Civil Aviation Board, under the Chairmanship of H. E. Ato Getachew Bekele, and to H. E. Lij Endalkachew Makonnen, Minister of Communications, Telecommunications, and Posts, for their support of and interest in the program.

In the course of the project numerous contacts were made with individuals in agencies outside CAA, including the Ministry of Finance, the Auditor General, Ethiopian Electric Light and Power Authority (EELPA), Imperial Highway Authority (IHA), Central Personnel Agency (CPA), Imperial Board of Telecommunications of Ethiopia (IBTE), Ethiopian Air Lines (EAL), and the local USAID Mission. Officials in all these agencies were responsive, and most cooperative in SARC's efforts to develop an autonomous CAA suitable for the needs of Ethiopian civil aviation. In particular, the assistance of Ato Kebede Gebre Mariam, CPA Commissioner, (Vice Minister) in providing information and guidance on personnel matters, and the cooperation of Mr. Joseph L. Brumit, General Manager of Ethiopian Air Lines, who gave so generously of his time, are gratefully acknowledged.

The contributions and cooperation of all these officials and CAA staff members were fundamental to SARC's work, and recognition for their help is appropriate.

II. THE RESTRUCTURING OF CAA

REVIEW OF EXISTING ORGANIZATION AND PROCEDURES

1. Background

When work commenced under the present contract, in September 1970, the Civil Aviation Administration was functioning under authority granted by the Emperor in Order No. 25 of 1962 and Decree No. 48 of 1962. The organization thus established was in effect a semi-autonomous government agency. It had an Administrator and a Board, but was located within the Ministry of Communications. Its budgeting and financing were subject to the regulations and actions of the Ministry of Finance as a part of the Ministry of Communications, which among other things necessitated that all revenues collected by CAA be transmitted to the Ministry of Finance for general government use; and its personnel administration was subject to the regulations and authorizations of the Central Personnel Agency (CPA).

The Civil Aviation Order of 1962 coincided generally with intensive development of civil aviation in Ethiopia. The national carrier, Ethiopian Air Lines (EAL), had ordered its first jet aircraft; new airport construction was undertaken, to provide facilities suitable for anticipated increases in international air travel; and the CAA was busily training technicians to undertake the technical services and regulatory functions contemplated in Order No. 25.

In 1962 the organization of CAA was largely an informal one, with substantial assistance being given by International Civil Aviation Organization (ICAO) advisors, and other expatriate personnel. By 1966 the functions of the agency were crystallized sufficiently to be grouped into four operating departments, and an administrative department, all under the direction of the Administrator and a Director General. Although not included on the 1966 organization chart, a field organization was also in being, at Haile Selassie I International Airport, Addis Ababa, at Asmara, and to a minor extent at Dire Dawa and Jimma. Numerous meteorological stations completed the field arrangement.

During the developmental period beginning in 1962, and more predominantly from 1966 on, the CAA found itself handicapped in carrying out its responsibilities to develop and regulate civil aviation in Ethiopia. It required technicians, but could

not retain them once they were trained, because of inadequate salaries and incentives. It generated revenues which would have assisted materially in operating the agency, but could not utilize these funds. Financing the operation was difficult because of the inadequacy of funds in the nation's general treasury.

Against this background, the Ethiopian government applied to the United States Agency for International Development (AID) for a loan to improve the Addis Ababa and Asmara airports. AID recognized the difficulties facing CAA in its attempts to finance its routine operations, and the necessity for having a well-qualified, adequately-funded organization to operate and maintain the new equipment. Therefore, when the loan was approved, it carried with it the condition that CAA be made an autonomous government authority, with the ability to generate and keep its own revenues. Eventually, it was expected that CAA would be financially self-sufficient. An additional precedent to the loan was a requirement that CAA engage a management consulting firm to assist in creating an organization which was geared to operate as an autonomous corporation. SARC was selected to assist in developing the new structure.

2. Review of Past Studies

Since 1962 a number of studies have been made dealing with civil aviation in Ethiopia. A US Federal Aviation Agency (FAA) group drafted a report in 1964 after inspecting the work done in connection with the original airport expansion program; in addition, a brief report was submitted by the General Accounting Office (GAO) which assessed the work of the contractors in the same program. In 1968 the engineering firm of Tippetts-Abbett-McCarthy-Stratton (TAMS) prepared an economic analysis related to Addis Ababa and Asmara. Finally, Public Administration Service (PAS) submitted a report to AID on the organization, operation, and general management of CAA.

Prior to undertaking the initial examination of CAA's structure and operation all of the foregoing studies or reports were reviewed. Of the group, only the PAS report had any relevance to the current review of CAA. The FAA report dealt primarily with how physical components installed under the previous loan could be improved, with no reference to organization or management. The GAO audit report contained allegations and counter allegations about performance under the previous loan, which, of course, had little bearing on the current project. The TAMS report apparently was the economic feasibility study which provided the basis for the pre-

sent improvement program at the Addis Ababa and Asmara Airports.

The PAS study highlighted the management and financial difficulties in the existing CAA organization, and presented certain recommendations which it felt would mitigate the agency's difficulties and make it more efficient. Among other things, it recommended that (1) CAA be established as an autonomous agency; (2) it be permitted to keep its own revenues; (3) it improve relationships with CPA and the Ministry of Finance; (4) salaries be improved; and (5) top level management be strengthened.

The analysis by PAS has been helpful in the present management consulting program, and in fact appears to have inspired some of the actions taken in connection with the AID loan - notably the creation of CAA as an autonomous agency. The PAS report provided a good background for SARC's initial review of CAA.

3. The Initial Interview Program

During September, October and part of November of 1970, the present Civil Aviation Administration was reviewed in detail, in order to learn as much as possible about the organization - its functions and its people. About sixty-five persons were interviewed, within the agency and outside. Contacts within the CAA ranged in level from the Administrator to a typing pool member. Outside interviews were held with officials in Ethiopian Air Lines, the Ministry of Finance, Office of the Auditor General, Imperial Board of Telecommunications of Ethiopia (IBTE), Ethiopian Electric Light and Power Authority (EELPA), Imperial Highway Authority (IHA) and the Central Personnel Agency (CPA).

Facilities were inspected at Asmara, Addis Ababa and Dire Dawa, and staff were interviewed at these locations. Tours were made of Headquarters offices and stores facilities.

As a result of the interviews and inspections, a good understanding of CAA was developed. The interviews in many instances followed a pattern which made it relatively easy to identify certain problems, e.g. low salaries, lack of coordination mechanism and inconsistent personnel practices. Also, strong points of the organization soon became evident as a result of the interviews.

a. Strengths of CAA

On the positive side, it became apparent that the initial organization

of 1966 represented a valuable move in the direction of ordering the functions of CAA into a logical framework. As a result of this good work, the changes recommended to CAA represented for the most part, a refinement and extension of that effort.

Secondly, it was evident that with some exceptions the technical aspects of CAA were in a relatively good state, primarily due to emphasis on technical training, and the fact that senior technical people as a group are well qualified.

Thirdly, there are able people in the non-technical area (although not enough of them) who could assist in the establishment of a new organization.

Finally, the initial survey revealed an intense desire to make whatever changes as may be necessary to improve the organization. There appeared to be substantial pride in CAA, with the staff psychologically prepared for a change.

b. Weaknesses in the CAA Operation

The review disclosed a number of weaknesses, which could be classified into four broad areas:

(1) Organizational Deficiencies

- (a) Policy and staff functions, as contrasted with operating functions, needed to be clearly defined. The question of precise jurisdiction at airports, as between the airport management and the technical departments at Headquarters, raised serious coordination problems. Key Headquarters personnel found themselves involved in such matters as discussing annual leave for an employee in the field.
- (b) Groupings of homogeneous functions were needed. The existing organization contained a mixture of functions within an area which by their nature logically should be separated.
- (c) Provision for specialized functions was required.

(2) Need for Management/Supervisory Capability

It became evident at an early stage of the review that many of CAA's

problems stemmed from the fact that supervisory personnel had no training before their assignment to supervisory positions, and little or no such training since. In most cases the individuals were employed first as technicians and later elevated to supervisor status. Many of the discipline problems which were encountered at the first line of operation could in fact have been eased, had the supervisor been given some training in dealing with people at a subordinate level.

The lack of management background ran through the organization, and, as a result, management activity which would prevent a situation from developing did not occur, or some system was not developed which could facilitate the agency's work. It is likely that this situation was the result of the emphasis which CAA technical functions has received in the past.

(3) Inconsistent Personnel Policies and Practices

Although an effort was made to follow CPA personnel regulations, these regulations are not detailed in many areas, and as a result inconsistencies were present which resulted in serious morale situations. This condition probably developed because of the lack of specific guidelines for personnel handling, and the lack of management training discussed earlier. Also, there appeared to be some inequities in salary arrangements, in addition to the low level which applied generally within CAA, which contributed materially to poor morale.

(4) Inadequate Financial System

The financial affairs of CAA were keyed to Ministry of Finance accounting, budgetary and allocation processes. The result was not good. As an independent agency it will be necessary that CAA have adequate financial procedures which maximize revenues, provide effective cost controls and maintain adequate inventory protection.

THE PROPOSED NEW ORGANIZATION

With the knowledge and background obtained from the initial study, an organization plan was developed for presentation to CAA. The proposed organization sought to correct the basic organizational difficulties discovered during the review, and to create an opportunity to operate effectively as an independent agency. Principal points of the proposed organization were as follows:

1. It distinguished between operating and policy/staff functions by placing all operating responsibility in the field, with policy and staff functions maintained in Headquarters.

This concept is generally accepted as a logical organizational arrangement. It minimizes jurisdictional difficulties between the field and Headquarters. Probably more important, it frees Headquarters from operations details and allows it to concentrate on improvement of systems, development of operating standards, monitoring the field operations and development of regulations.

2. It recognized and gave appropriate weight to the three primary areas of CAA activity - operations, engineering and administration.

This arrangement has the advantage and logic of grouping like activities into functional areas. Thus, for example, it consolidates engineering functions, and avoids jurisdictional difficulties which arise from including operations activity within an engineering unit.

3. It regrouped operating divisions into areas which correspond to field operations.

Under this arrangement, the appropriate office can respond to requests for guidance from the field, and are logical for determining standards. All aerodrome matters were located in the Aerodrome Services Division, and all aspects of Air Traffic Services were included in that Division to facilitate policy and staff direction.

4. It provided an independent office for flight safety.

This is essential, for as an investigator and interpreter of safety rules, it should not be part of the unit which creates them.

5. It provided a Controller, for close financial supervision, to reflect the importance of financial aspects in an independent agency.

6. It established an office for Plans and Policy, to provide a planning function, and a nucleus for future CAA activities.

It was contemplated that initially, in addition to planning, this office would

contain several miscellaneous functions, some of which were being handled in operating offices. By transferring international affairs and interagency liaison responsibility to this office, the operating division would be relieved of what amounts to extraneous activities. Also, legal and public information functions could best be handled as adjuncts to the Administrator's office, since they cut across all CAA functions. With a planning function, the groundwork is established for an organized approach to policy-making, and for economic regulatory functions not presently performed, but which will be necessary as aviation develops.

7. It provided for a coordinated training program

By giving the Personnel Management Division responsibility for coordinating all training programs, CAA will be assured of consistency and uniformity in its training activity. This office will conduct some non-technical training, and will work with technical offices in developing a coordinated program.

To support the proposed organization there were developed appropriate statements of responsibility, functions, coordination procedures and job descriptions for key positions. A broad statement of functions accompanied the proposed organization chart, which covered only primary levels of activity.

APPROVAL AND ANNOUNCEMENT OF THE REORGANIZATION

The proposed organization plan was presented to the Administrator for his consideration. Except as noted below, the proposal was satisfactory, and the modifications suggested by the Administrator and accepted by SARC were not inconsistent with the principles which dictated the original organizational plan. Modifications included:

1. Changing the level of meteorology from that of a Division to a Department.
2. Creating an additional position as Assistant Manager, Administrative Services.
3. Creating an Office of Technical Planning.

With respect to the first modification, SARC expressed its written reservation. It was our contention that aviation meteorology was not sufficient to warrant

Department status. CAA, however, took the position that this level was justified because the meteorology function in fact was the Ethiopian national meteorology service.

After having come to tentative agreement with the Administrator on a proposed new organization, it was necessary to have it approved by the Civil Aviation Board. A presentation was made and the matter deferred for additional study. In the meantime, H. E. the Minister of Communications, Telecommunications and Posts requested that the substance of the new organization be given to a "Coordinating Committee", comprised of the heads of each agency within the Ministry. This was done, and provided a basis for the later, final presentation to the Board. After full consideration and minor revisions, principally in position titles, the Board approved the proposed plan of organization, and it was announced to the staff by the Administrator on February 10, 1971. The organization chart as approved is included with this report as Appendix 1.

IMPLEMENTING THE NEW ORGANIZATION

1. Identification of Key Functions

With the adoption of the reorganization plan, the implementation process was begun. Statements of functions and position descriptions which had been prepared for key positions shown on the organizational chart were discussed with the employees designated for these spots. This was a valuable exercise intended to eliminate ambiguities and any apparent duplication of functions which the officials might have detected. With these interviews, the allocation of major responsibilities was clear to the principal staff members. The function statements and position descriptions for these key offices, together with administrative procedures discussed later, established appropriate clearance mechanisms between offices within CAA Headquarters, and between Headquarters and Field Offices. Appendix 2 summarizes the functions of key positions.

2. Preparation of Position Descriptions

Although the contract specified that position descriptions be prepared only for key positions, it appeared desirable to develop uniform descriptions for each of the 200 different positions incorporated in the activity of CAA. Previously, position descriptions had been prepared in a uniform format only as to a particular technical activity. Periodically, Central Personnel Agency Forms 14 were

submitted, which detailed the duties of the individual whose name appeared on the form. There appeared to be little coordination of the duties performed by persons with identical position titles.

Thus, the preparation of position descriptions, uniform in format and in content as to identical positions, provided CAA for the first time with a systematic basis for position classification and salary assignment. During the period following the development of the position descriptions, there occurred the inevitable revisions of position titles. However, this phase passed quickly and the position descriptions were then coordinated with the classification schedule. Samples of position descriptions appear as Appendix 3. One feature of the description writing was to include multiple functions, particularly at the lower levels, to insure flexibility in the assignment of tasks. For example, the airport fireman, who usually are not active, were assigned, in addition to their fire duties, responsibilities for landscaping, carpentering, etc. as directed.

3. Staffing the New Organization

Having outlined the key elements of the new organization, it was then necessary to develop substructures and to determine staffing requirements with the advice and assistance of CAA offices. This process was long and tedious, for the qualifications and present salary of each of the nearly 700 employees had to be considered, in relation to the salary scale, the position classification schedule, and the requirements of the new organization.

Under the old organization, there were 701 positions, excluding the Administrator and Deputy Administrator. The new staffing arrangement which incorporates staff thinking for the near future, calls for a total complement of 818 people. SARC feels that the plan is most generous, and has recommended to CAA that except for certain specialities, any increase in CAA activity over the next five years be absorbed by the present staff. The agency in fact is planning to fill only a small number of vacancies in the first year, with a "wait and see" attitude for the balance. In addition to its fiscal benefits, maintenance of staff at present levels will permit a continuity of service which should contribute to the efficiency of the organization.

Because of the changes in organization, a minor number of employee transfers took place. Also, as a result of the reorganization, there were about twenty unassigned individuals to be reported to CPA as redundant. Unfortunately, reductions in staff cannot be effected until every effort has been made to locate a position for one

declared redundant. It may be possible to separate the surplus people after one year's time has elapsed, but in the meantime they must be maintained on the payroll. This procedure, as can be expected, results in overstaffing, for only if a person is untrainable or otherwise completely unsatisfactory is an attempt made to terminate his service because of his redundancy. CAA is no exception, and the staffing plan which finally evolved is, as stated earlier, extremely generous, although not too costly because the excess staff is for the most part at the lower grade levels.

The quality of appointments to key positions generally has been good. It is SARC's view that the administrative area, in which many of CAA's problems flourished, in particular has been strengthened. Technical management, with a few exceptions, also should be satisfactory in light of key appointments in technical areas.

III. DEVELOPMENT OF A PERSONNEL PROGRAM

It was clear from SARC's initial review of CAA that an urgent need existed for a coordinated personnel management program. The existing salary structure was not adequate, indeed no formal agency scale was in use; there was no agency classification schedule, although positions were graded in a sense; no written procedures were available; personnel evaluation and discipline were conducted on a rather haphazard basis; and there was no incentive awards program. SARC's efforts were directed first to creating a satisfactory salary arrangement, then to the proper classification of positions, and finally to the development of a series of procedures for proper personnel administration.

DESIGNING A SALARY SCALE

One of the more serious personnel problems confronting CAA over the years has been the agency's difficulty in providing adequate salaries for its staff. Up to this time, CAA had no uniform wage or salary policy. Salaries and wages in the past had been established primarily on a judgment basis. Salary increments were given at irregular intervals, in varying amounts depending on the availability of funds, and the selection of employees to receive increments was made on a judgment basis, by committee.

Because no definite policy existed, CAA has suffered. Technical personnel trained at great expense moved to other agencies or firms because of low salary levels. Personnel morale has been adversely affected by the lack of uniformity in granting salary increments.

As an autonomous agency, it is necessary that CAA have an appropriate salary scale competitive with other technical agencies or corporations, and with provision for uniform salary increments, based on length of service and performance. Provision also must be made for rewarding those employees whose performance warrants merit increases. The salary scale developed by SARC incorporated these provisions.

1. Approach in Constructing the Scale

Several principles were established prior to the research which was necessary in establishing the salary scale. In the first place, it was determined that the minimum salary for persons required to be on the job full-time would be \$50 per

month. Secondly, an attempt would be made to attain the average (not the highest or the lowest) levels of current salaries paid by similar agencies. Thirdly, the spread between the minimum and maximum levels should be adequate to assure reasonable financial advancement for the individual employees, but with due regard to the financial impact which such wage increase would be likely to have on the agency's budget in future years. Finally, the spacing of incremental increases should be such as to encourage employees in the conduct of their functions.

With these principles in mind, a detailed comparative analysis was made of current salary scales in effect for IBTE, EELPA, IHA and Ethiopian Air Lines. These agencies were selected as being the ones which most nearly resemble CAA in their scope of activity and geographical coverage. A proposed scale by the Central Personnel Agency was included in the analysis, to reflect the influence of government ministry salary scales.

2. Description of the New Scale

Following the approach outlined above, a salary scale was developed which it is believed will meet CAA's present and future requirements. The scale begins at \$40 per month in Grade 1 and has a maximum beginning salary of \$1300 in Grade 20. The Grade 1 level would be used to classify those employees who perform manual or custodial duties, and who are required to be present on the job less than full-time.

In other respects the scale meets the principles which were specified. The minimums and maximums fluctuate around the average of the five agency scales, and for the most part are below the highest salary levels among the five agencies analyzed. The average spread between the beginning rates and the maximum, among the five agencies, ranges from 160% for Grade 1, to 48% for Grade 20. The CAA scale has a spread of 100% for Grade 1, then tapering downwards to a constant 40 percent from Grade 9 through Grade 20, for service increments only. Including the merit increments discussed below, the maximum is from 150% for Grade 1, tapering down to 60%, from Grade 9 through Grade 20.

The CAA scale will cover a service period of 12 years, providing annual salary increments for the first four years, and biannual increments for the next 8 years. It is felt that modest annual service increments for the first several years, plus an opportunity for merit increments, offer an incentive for better performance on the part of the employees. The increments would provide for a minimum increase of \$5 in the lowest grade and a maximum of 5% beginning with Grade 8. Because of the

unusual costs associated with implementation of salary adjustments, it may be necessary to alter the annual increment arrangement slightly during the transition period of two or three years.

The salary scale has been designed to permit eight successive salary increases based on satisfactory performance. However, the personnel evaluation procedures provide that only 50% of an increment shall be granted to an employee whose service is only marginally satisfactory. In addition, special merit increases may be given, which permit attainment of a salary level in each class which is above the maximum allowable for normal satisfactory service only. Thus, the normal maximum may be reached in less than twelve years through a combination of normal service increments and merit increases.

In establishing a salary scale, it is essential, of course, to consider the cost impact on the agency. If the maximum for each grade is too high, and that period covered by the scale is comparatively short, salary costs for the agency could increase beyond the agency's financial capability. The CAA scale, as pointed out earlier, is limited to an increase of 40 percent (for Grades 9 - 20, which would involve the greatest dollar amounts) over a 12-year period, which would not appear to represent an unreasonable liability on CAA.

It is believed that the CAA scale is reasonable from all points of view. It is well within the range of salaries paid by comparable agencies; it provides for reasonable service increments; and the spread between grade minimums and maximums does not unduly commit the agency in a future period. A copy of the salary scale is included here as Appendix 4.

THE CLASSIFICATION OF POSITIONS

The proper classification of positions in a graded salary scale presents an extremely complex problem. Books have been written on the subject and numerical rating systems have been devised in order to make the classification as objective and scientific as possible. However, in the final analysis it is the element of informed judgment, gained by a study of the relative responsibilities and qualifications of the positions, which is the decisive factor.

In the assignment of positions to grades, as reflected in the classification schedule developed by SARC for CAA, the primary consideration was the responsibility attached to a given position, relative to other positions. Where possible the

classification of positions in Imperial Highway Authority, IBTE, EELPA and Ethiopian Air Lines which could be identified as similar were examined, averaged and fitted into the proposed CAA schedule. In determining the classification of technical positions, the results of a CAA analysis of several years ago, and CPA comments on that proposal, were useful guidelines. Current salaries of CAA employees were not ignored, for they do represent classifications of a sort. However, the salary element was a minor consideration.

A statistical classification system advanced by one Dr. Seyoum, a Haile Selassie I University consultant who worked with CAA in 1963 and 1964, was tested. Although useful in some respects, it was found to be impractical for most of the CAA positions.

While there undoubtedly will be reclassifications in the future, it is believed that the initial schedule of position classifications (Appendix 5) is fair to the employees, reasonable in relation to the comparative job responsibilities and reasonable in relation to other agency classifications.

PERSONNEL PROCEDURES (VOLUME II, PART 1 OF THE MANUAL)

In the past, CAA has operated without the benefit of personnel procedures specifically keyed to the CAA operation. Instead, the managers relied on CPA regulations which were satisfactory as general guidelines but were not specific. Consequently, inconsistencies in personnel practices occurred which resulted in inequitable treatment of CAA personnel.

In developing procedures which would provide an integrated personnel program, SARC attempted, generally, to follow the regulations of CPA. Every effort has been made to protect the employees' rights with, however, specific penalties for violations of agency rules. A key element in the personnel management system is the personnel evaluation system, which forms the basis for determining the size of the increment, whether the employee's performance warrants a merit increase and whether additional training is required. It was SARC's intention that the performance evaluation be discussed with the employee. However, at the request of CAA the procedure was modified to require discussions of the general level of performance but not the rating. Also, SARC advocated that a copy of the rating be given to the employee, but CAA requested a change which made performance ratings confidential, unless the employee's performance was graded "Unsatisfactory" or "Outstanding".

This, incidentally, is the practice generally followed under CPA regulations.

The personnel procedures as a group were designed to inform the employee of his duties, responsibilities and rights, provide opportunities for advancement under the incentive program, arrange for uniform performance evaluation and provide fair but constructive discipline. The personnel procedures, which have been put into manual format with provision for amendments with a minimum of difficulty, are as follows:

- Attendance and Leave
- Conduct and Discipline
- Employee Evaluation Procedure and Performance Improvement Program
- Incentive Awards
- Personnel Recruitment, Selection and Placement
- Position Classification
- Promotion
- Resignation and Retirement
- Salary Policy and Procedures
- Training
- Transfers

In addition to the above procedures, an employee information handbook was developed and printed to better acquaint the employee with CAA, and to provide him with essential information relative to his employment in the agency.

The process of developing these procedures (and other procedures later in the period) incorporated the ideas and thoughts of CAA key staff before they were finalized. Thus the product is one with which the staff is familiar and for this reason should prove to be useful.

Copies of procedures developed for CAA, except for the samples designated as Appendix 8, are not included as part of this report because of their volume. However, a complete set has been given to the AID mission in Addis Ababa for their records.

REQUEST TO CPA FOR DELEGATION OF AUTHORITY

Within the Imperial Ethiopian Government, the Central Personnel Agency has res-

ponsibility for developing and maintaining the Ethiopian "Public Service". Public servants include "all officials, employees and servants of the government and Public Authorities and Administration of the government which enjoy juridical status..."

The CPA has published a set of regulations for the guidance of all organizations falling under its jurisdiction. These regulations are broad, and cover all aspects of personnel administration.

The Civil Aviation Administration, as a part of the Ministry of Communications, Telecommunications and Posts under the previous arrangement, and as an autonomous government body under Order No. 69 of 1971, continues to be subject to CPA regulations. However, CPA has followed the practice of delegating to organizations which enjoy independent status the authority and responsibility for handling their own personnel matters. Before such delegation is given, the agency seeking such authority must demonstrate to CPA that the agency's policies and procedures shall follow the general principles established by CPA for personnel administration. As an independent body, CAA is seeking this delegation of authority. In support of the CAA request SARC assembled a comprehensive presentation, including a proposed salary scale, position classification schedule, position descriptions and copies of all personnel procedures. A copy of the statement is attached, as Appendix 6. We have not included Appendixes B and E of the statement, which are detailed listings of CAA employees, with salaries, new grade assignments and other detail, which would not be suitable for this report.

IV. ADMINISTRATIVE PROCEDURES AND OPERATING GUIDELINES

SARC's responsibility under the contract included, among other things, the preparation of "administrative" and "technical" manuals which will "serve as guidelines for the operation of the CAA organization." SARC has interpreted the "technical" manual as management or administrative procedures governing the technical portion of the CAA organization. CAA agrees with this interpretation. The manuals which CAA has covering purely technical aspects of its operations have been in being for a number of years. They correspond to ICAO recommendations and are adequate. Thus SARC has prepared what it and CAA agreed were management procedures and guidelines necessary to assist in the conduct of CAA as an independent agency.

The Manual prepared for CAA consists of three volumes, comprising 72 different procedures or functional statements, for a total of more than 400 pages. Volume I covers the organization of CAA. Volume II is in two parts. The first part contains the personnel procedures discussed earlier, and the second part is made up of other administrative procedures. Volume III is made up of operating guidelines which are instructions and guidance items for the staff in all areas of CAA activity. The indexes of all manuals are included as Appendix 7.

POLICIES, ORGANIZATION AND FUNCTIONS (VOLUME I)

This volume of the Administrative Manual has been designed to provide management staff with a readily-available source of information on the organization. It contains policies of the CAA, a copy of the "Civil Aviation Reestablishment Order, 1971", organization charts and statements of function for all offices appearing on the new organization chart.

GENERAL ADMINISTRATIVE PROCEDURES (VOLUME II, PART 2)

In addition to the financial and property management procedures, which are discussed later, general administrative procedures have been formulated to cover the following areas:

- Records Management
- Correspondence Control
- Reproduction Services
- Official Travel

**Local Transportation
Management Reporting Program**

Having had no policy on the retention of records, it appeared to be necessary to develop guidelines for the storage or retention of official papers and to establish responsibility for their custody. This is done in the Records Management procedures. The Correspondence Control procedure is designed to facilitate the movement of correspondence, with controls to avoid loss or unnecessary delay. The Reproduction Services procedure simply outlines the responsibilities and steps in reproducing official documents.

Uniform travel regulations for CAA employees are embodied in the Official Travel procedure. Per diem allowances were developed after comparisons with other agencies. A uniform Travel Order was designed, accompanied by a corresponding Travel Expense Voucher.

The Local Transportation procedure reflects a substantial revision in the practice which had been followed previously. Because there was no written procedure or policy, there existed substantial variations, and inequities, in the assignment of official vehicles, provision of bus transportation, petrol allowances, etc. Loose administration and the lack of a standard policy were largely responsible for the fact that 25% of the agency's total operating budget, (excluding salaries and the cost of technical equipment and supplies) was being spent on vehicle upkeep and fuel. The new procedure should result in greatly reduced transport costs, with more equitable administration.

It is vital that selected, concise information be available to management on a timely basis. The Management Reporting Program is designed to do this. Previously, the accumulation of statistical data was not systematic, with the result that it was difficult and time-consuming to assemble analytical material. The program is designed to keep up-to-date and comparative information concerning CAA's financial situation, employment, airport activity, etc. flowing to management on a regular basis. The list of items was intentionally kept to a useful minimum, and in highlight form, to be most helpful to busy executives.

The administrative procedures identified here, together with financial procedures, seem to be adequate for the CAA operation. However, in the manual numbering arrangement, provision has been made for additional procedures which may become necessary in the future.

OPERATING GUIDELINES (VOLUME III)

To assist CAA staff further in the management of CAA's affairs, a group of "operating guidelines" was developed. These guidelines are not procedures in the same sense as, e.g. Official Travel, or Management Reporting. In a sense they amplify the procedures or provide guidelines on matters which require instruction or clarification. SARC has developed the following items which fall into this category:

Organization

Delegations of Authority
Field-Headquarters Relationships
Horizontal Staff Relationships
Relationship between Aerodrome Services and Aerodrome Engineering

Administration

Publishing Procedures and Guidelines or Amendments
Public Information Releases
Annual Report Preparation
Establishment of Fees and Charges
Absences from the Office
Disposal of Surplus Stock

Field Offices

Formal and Informal Communications
Visits to Field Office by Technical Personnel
Coordination of Travel by Bole Technicians with Headquarters
Field Office Expenditures
Investigation of Alleged Air Traffic Violations
Requests for Technical Information
Maintenance of Outstation Structures

Technical Management

Validating Requirements
AIS Information - Collection and Dissemination Within CAA
Maintenance and Use of Automatic Telecommunications Logs

Planning

Channeling Planning Information
Policy Committee

It is obvious that the Guidelines cover a wide range of activities within CAA, and undoubtedly additional Guidelines will be required as new problems are encountered. The format provided for this series will permit substantial expansion. The Guidelines are arranged by key CAA function, and by subject matter within each key function.

Samples of personnel procedures, administrative procedures and operating guidelines are attached (Appendix 8).

V. FINANCIAL MANAGEMENT

Probably the most significant feature of CAA as an autonomous body will be its financial management. For unless there are sufficient resources to maintain a competitive salary arrangement, to keep its technical facilities in good order, and to be able to plan an effective improvement program for the future, the agency will not achieve the standards of performance or other goals inherent in its charter.

Indeed, the primary motivation for autonomy was the financial difficulty experienced by CAA during the past years. As pointed out earlier, although it generated substantial revenues, CAA was unable to retain them, since it was a regular government agency whose budget was supplied by the Ministry of Finance. As an autonomous body, CAA will have the responsibility and, we believe, the capability to be self-supporting.

As a government agency responsible to and under the financial control of the Ministry of Finance, the accounting function in the CAA under the previous arrangement was simply that of a cashier - for all record-keeping was on a cash basis. There was no accounting in the conventional sense - no balance sheet, no attempt to measure costs against revenues generated, no depreciation accounting. Under the new arrangement it is expected that CAA will be operating as a corporation, with full financial accountability. It was, therefore, necessary to devise a set of financial procedures which would provide the required accounting for funds.

FINANCIAL PROCEDURES

Order No. 69, dated March 5, 1971 ostensibly provided CAA with autonomous status. (Appendix 9) On the basis of this action, SARC arranged to have an accounting system installed in time for the beginning of CAA's new fiscal year, beginning on July 8, 1971. To support the new system, the following financial procedures were developed:

- Accounting
- Auditing
- Budgeting
- Billing and Collection of Revenues
- Rental Contracts

In addition, related procedures in property management were designed, to cover

the procurement and supply function and to provide appropriate inventory controls.

The first draft of the basic procedures was submitted to the Auditor General's office for comments. The Auditor General provided a number of helpful comments and suggestions, while observing that the material which had been submitted was not complete. SARC incorporated the Auditor General's comments in subsequent drafts and prepared a detailed classification of accounts together with explanatory material. The accounting procedures as published represent a complete, self-contained document.

The accounting staff of CAA is well-qualified, and demonstrated a thorough understanding of the new accounting system in a simulation which was conducted by the SARC Controller prior to the actual installation of the new system.

The new budgeting procedure was introduced in time for preparing the estimated income and expenditures for the new year. A briefing session with key staff was held, and the new budgets were produced without difficulty. The new system will relate the budget to cost centers and thus permit managerial analysis of cost characteristics not heretofore possible.

The procedure on Rental Contracts was developed because it was apparent that no consistent policy existed with respect to the terms of rentals and concessions. Consequently, revenues were minimized and some rental contracts probably were negotiated at rates which did not cover costs. The procedure outlines a specific process to insure that revenues will be maximized.

It is SARC's belief that the procedures developed will provide for proper financial management of CAA as an independent agency.

ESTABLISHING AN INVENTORY

As a prelude to installing a new accounting system, it was necessary to determine the value of assets owned or controlled by CAA. There was no requirement to maintain inventory registers under the previous system and the record of supplies, equipment and property was meager indeed.

At SARC's request, therefore, a complete inventory of CAA assets was made, including land, buildings, equipment, furniture and fixtures, supplies and materials. Values were assigned to all items, and unusable, obsolete or unused supplies or

equipment were identified and set aside for disposal. Furniture and all equipment items were registered. Under the purchasing and inventory control procedures which have been developed, it will be possible to maintain current inventory values, to keep consumable stores items at useful levels, and to minimize the number of items which become obsolete.

That the inventory-taking was beneficial is evidenced by the fact that valuable equipment items worth thousands of dollars were uncovered, which were not registered anywhere in CAA, and which were about to be reordered. The new procedures will eliminate the possibility of "losing" inventory items.

As a matter of interest, the inventory disclosed the following fixed assets in CAA:

<u>Item</u>	<u>Current Value</u>
Land	E\$ 6,174,000
Building & Runways	26,733,300
Technical Equipment	887,600
Motor Vehicles	735,600
Furniture & Fixture	241,000
Construction in Progress	<u>6,500,000</u>
	E\$ 41,271,500

THE NEW FINANCIAL ARRANGEMENT

The new accounting system was put into effect at the beginning of the new fiscal year, on July 8, 1971. The minor difficulties usually inherent in undertaking a new system were encountered, but these did not cause unusual difficulty. However, a more basic problem was encountered because it appeared that CAA may not be fully autonomous until July 8, 1972.

In the first place, CAA's budget for the current fiscal year was requested in 1970 from the Ministry of Finance, as a regular government agency, and was approved by Parliament. Under these circumstances CAA was required to report monthly expenditures in the same breakdown as that appearing in the budget, i.e. by Headquarters, Airport, and Meteorology. This posed a problem because the cost breakdown under the new accounting system was keyed to the new organizational arrangement.

To comply with the first condition listed above would have required keeping dual sets of accounts. This difficulty was overcome when the Council of Ministers issued the necessary waiver to permit the reporting by CAA of a consolidated figure, without any breakdown. This permitted CAA to use the new accounting system and still meet Ministry of Finance requirements.

In the second place, the Ministry of Finance took the position that Order No. 69 of March 5, 1971 by itself was not sufficient legally to grant CAA autonomy, and therefore CAA could not retain the revenues which it collected. Previous legislation governing civil aviation in Order No. 25 of 1962, was accompanied by a Decree (No. 48). Therefore, according to informed sources, in order to amend the Decree, it will be necessary to have a Proclamation by Parliament (or a Decree by His Imperial Majesty) to effectuate Order No. 69. An order cannot amend a Decree under Ethiopia law.

Until CAA becomes fully autonomous, CAA must continue to operate as a regular government ministry entity, with the attendant difficulties of insufficient operating funds. The Ministry of Finance did make a concession, to the extent of permitting CAA to retain funds collected each month, up to 1/12 of the CAA annual budget. However, if revenues exceeded this amount, the excess would be required to be turned over to Finance. In the next month, if collections were less than 1/12 of the budget, and the Ministry of Finance had insufficient funds, CAA would be subject to this situation and probably have insufficient operating capital.

Thus, although it was thought to be autonomous, CAA was in fact subjected to the same difficulties which it has been experiencing over the years. Hopefully, this will be only for the current, transitional year. With a new Proclamation effective and with increased revenue, as outlined later, the future of CAA should be vastly improved.

FINANCING THE CAA AS AN AUTONOMOUS AGENCY

The Civil Aviation Reestablishment Order of 1971 clearly had as one of its goals the financial autonomy of CAA. The second paragraph of the Order states that "We deem it necessary that (CAA's) autonomy be comprehensive." Further, Article 5 which lists the "Powers and Duties of CAA", includes financial provisions which are singularly applicable to an autonomous corporation, e.g. "Enter

into contracts", "buy, sell, own, lease and sell property...", "sue and be sued", etc.

Analysis of CAA's income and expenses and potential additional revenue sources revealed that financial self-sufficiency, at least for an operating budget, is achievable in the next fiscal year, provided that (1) measures recommended by SARC for increasing revenues are implemented before July 8, 1972; and (2) prompt and forceful action is taken with other government agencies in negotiating for relief from situations which adversely and inequitably affect CAA's revenues and expenses.

Without any planning for additional revenues, the operating situation in CAA, for FY 1962-63 (E.C.) and estimates for the current year and FY 1964-65 appears to be as follows:

	<u>Revenues</u>	<u>Operating Expenses</u>	<u>Subsidy</u>
FY 1962 - 3	E\$ 2,600,000	E\$ 3,022,080	E\$ 422,080
1963 - 4	2,828,200 ⁺	3,483,594	655,394
1964 - 5	2,900,000 ⁺	3,506,682 ⁺⁺	906,682

Thus, it appears that the deficit to be overcome for Fiscal Year 1964-65 would be in the neighborhood of \$907,000. The means for meeting this deficit without requesting subsidy are available to CAA, in SARC's opinion.

1. Primary Areas of Potential Additional Revenues

There are three substantial areas, any one of which holds the key to self-sufficiency for CAA in the next fiscal year, and in future years as well. These are (1) disputed billing to the USAF, which amount to about E\$1,200,000; (2) Royal Air Force billings, amounting to \$635,000; and (3) Ethiopian Air Lines.

USAF Billings

The USAF and the Ethiopian Government presumably agreed that the USAF

⁺Includes USAF and RAF activity.

⁺⁺Includes first year salary adjustments, assumes other costs will remain constant.

should refrain from paying landing fees for aircraft serving the MAAG program, to offset costs which the Ethiopian government agreed to pay in connection with MAAG services. Although this is a satisfactory arrangement for the USAF, it is depriving CAA of revenues properly due for services rendered. As an autonomous agency, it means that CAA is in fact paying an obligation of the Ministry of Foreign Affairs of the IEG.

These billings should be sold to the Ministry of Foreign Affairs. They could be paid over the next two years, which would mean about \$600,000 annually to CAA. This item alone would meet a substantial portion of the expected operating deficit.

RAF Billings

Apparently the British Government has objected to paying some \$635,000 in billings for some alleged deficiency in service. SARC understands that by their actions in another country, the British have negated the basis for their claim. If these facts are correct, immediate and forceful action should be taken, by diplomatic means if necessary, to collect revenues due the CAA. The amount due would assist materially in placing CAA on a self-sustaining basis.

Ethiopian Air Lines

The real key to CAA self-sufficiency, of course, lies with Ethiopian Air Lines. Landing fees and navigational charges for international flights have been estimated by the CAA's Office of Plans and Policy to be \$1,549,000 for the current fiscal year, if paid by the carrier. Thus far, however, the national carrier has enjoyed an exemption from the payment of such charges. It is SARC's strong conviction that an early arrangement should be made to have EAL pay at least some portion of the charges which it should bear, under normal circumstances. There are several persuasive reasons why action should be taken promptly.

First of all, the CAA Office of Plans and Policy pointed out in a revenue study that it is the intention of the government that EAL pay for any service rendered by CAA, as expressed in the Third Five Year Plan. Thus, it appears that a policy decision on this matter has already been taken.

Secondly, the IEG is in technical violation of the ICAO rule, and certain

clauses of Ethiopian bilateral agreements, which provide for "fair and equal opportunity" for competing foreign carriers. There is no doubt that the Ethiopian government would be faced with the decision either to exempt foreign carriers from paying landing fees, or require EAL to pay if any foreign carrier pressed the point. By subsidizing EAL to the extent of landing fees, the Government would protect its negotiating position on this point with foreign flag carriers.

Finally, it appeared from informal conversations with EAL officials that the carrier, in fact, is expecting to make some payment as a result of CAA autonomy.

It is recognized that EAL, like CAA, is a government corporation performing a useful service and that, theoretically, it makes little difference whether the subsidy is paid directly to the carrier if its revenues are not sufficient, or to CAA because EAL pays no landing fees. The important difference, of course, is that sound practice requires that each collect its own revenue and pay its own obligations to the extent possible. Only then should either seek subsidy. Furthermore, payment of subsidy to a national airline is a generally accepted practice which does not carry with it the same concept of control as that exercised with respect to government agencies. Consequently, from CAA's point of view it would be infinitely more satisfactory to have subsidy paid directly to EAL, if necessary, rather than to CAA. Such an arrangement would present a more accurate picture of both EAL's and CAA's operations.

2. Other Possibilities for Increasing Revenues

It is SARC's view that revenues in addition to those discussed above are available to assist in financing the CAA operation. Our conclusions as to potential areas of improvement coincide generally with the analysis made by CAA's Office of Plans and Policy in its revenue study.

Landing Fees

SARC has analyzed landing fees in other countries and has the general impression that Ethiopia is now near the top of the fees schedule. Consequently, it is doubtful whether such fees should be increased.

SARC does not feel that the imposition of landing fees for domestic flights is practicable at this time. However, as a matter of policy, CAA shall move toward reimbursement for all services rendered which, with respect to CAA operated airports, would include domestic landing fees.

Navigational Charges

The Office of Plans and Policy in its study recommended that navigational fees be increased by about 14 percent, based on a new method of assessment. Navigational charges was a top item in recent ICAO and IATA discussions, and the trend is for very substantial increases. As a matter of fact, it is SARC's understanding that fares have recently been raised to compensate the carriers for increased navigational charges in Europe. Consequently, it is appropriate that the proposed structure change be put into effect.

Embarkation Fees

SARC is of the opinion that embarkation fees for international passengers should be increased from \$3 to \$5 per passenger. The fee is not large, when compared with other countries. While it may be considered that airport facilities are not wholly satisfactory and therefore an increase is not justified, generally embarkation fees are designed primarily to produce revenues, and even to assist in financing future improvements. Based on the Plans and Policy estimate, this increase would produce about \$118,000 additional revenue annually.

Rentals

During the period of our work in CAA, it became apparent that (1) rental schedules generally are too low, (2) there is no uniformity in rates and (3) rates are not related to costs. The Plans and Policy study has recommended changes in rates which would produce a minimum of about \$56,700 additional as follows:

Land Leases	\$ 39,140
Office Rentals	5,926
Check-in Counters	1,620
Warehouses	<u>10,000</u>
	\$ <u>56,686</u>

From our general knowledge, it is clear that increases are in order. Buildings and land rentals should be related to local going rates. An airport is a concentration of business activity, and should command rental equal to choice business property when used for the production of revenue. Further, as much as possible, rental rates should be related to cost.

Concession Fees

The primary concessions where additional revenues may be expected are the distribution of aviation fuel and duty free shops. Other possibilities exist in car parking, taxi service and restaurants, and should be considered, but possibly at a future time, because of the minimum volumes handled at present.

Aviation Fuel

In 1968 nearly 12 million gallons of fuel were dispensed at the Addis Ababa and Asmara Airports by the concessionaires, Shell and Mobil. The volume presumably has increased since then. Revenues on 12 million gallons would amount to about 10 million dollars. For this volume the concessionaires pay less than \$20,000 to CAA. Most countries offer the aviation fuel concession on the basis of a percentage of the gross sales, or on a gallonage fee basis, which provides much more revenue than would be available by merely leasing the space used by the concessionaires.

It is clear that Shell and Mobil in Ethiopia have a bargain, and it is SARC's view that new agreements should be negotiated which will allow CAA to participate in this activity to a much greater extent.

SARC has no view on the precise level of the charges to be imposed, but feels strongly that contracts should be arranged which produce substantially increased revenue. Revenue to CAA amounting to a minimum of 2% of the gross revenues would not be out of order. Because of differences in cost, it may be that separate arrangements will need to be made for Addis Ababa and Asmara.

Duty Free Shops

Contracts for the duty free shops at Addis and Asmara should be re-

negotiated, and put on the basis of a fixed rental plus percentage of gross sales. This is a lucrative business and the arrangement proposed is customary. In its study Plans and Policy have estimated that at 3% of the gross, revenues would increase \$17,460 per year. On the basis of published reports as to activity at the Addis duty free shops, SARC feels this figure may be understated. The duty free warehouse lease should be renegotiated as soon as possible with some arrangement for participating in the revenues. Appropriate weight would need to be given to the fact that ETO has constructed the building.

Headquarters Revenue

This is a minor item, but nevertheless some adjustment should be made in the fees charged for permits, licenses and certificates. They are extremely low and ample justification exists for an increase. It has been estimated that a doubling of the rates charged would produce about \$5,000 of additional income annually, which appears to be reasonable in view of the present extremely low level.

Miscellaneous Sources of Revenue

1. The airports act as a middleman for light, water and some other services. A schedule of charges for these services should be maintained and the level fixed high enough to recover out-of-pocket costs, with a small margin for overhead.
2. An area of potential revenue that has not been explored is the provision of aircraft servicing for foreign air carriers. Although such services are now provided by Ethiopian Air Lines, the airport management could probably undertake these services with no additional personnel, by utilizing firemen as loaders and cleaners.
3. CAA presently handles class "B" message traffic for the air carriers, and receives only 25% of the revenues, with IBTE taking the remainder. This ratio is backwards. The labor required for these messages is the larger cost, provided by CAA, and the transmission, the lower cost, provided by IBTE. This should be renegotiated.

Non-Aviation Meteorology

Although not a producer of revenue, some effort should be undertaken to

obtain funds for operating the non-aviation meteorology services. It is doubtful that revenues can be obtained from the other government departments which utilize the non-aviation services provided by CAA. However, strong representations should be made to the Ministry of Finance to cover this service, which should not be identified as subsidy, but as payment for a non-aviation services. Such representations should be made forcefully and repeatedly even though there may be little chance for immediate reimbursement. Only by this means can the fact that the CAA is providing essential services to non-aviation activities be impressed upon the authorities and the public, which in time, may bring about the necessary transfer of funds.

3. Summary

There is little doubt that the Civil Aviation Administration can be self-sufficient for operations in FY 1964-65 (E.C.), if a strong effort is made to correct governmental inequities, and if the proposed revenue increases are implemented.

The following is a summary of the additional revenue sources available for financing CAA, as discussed herein:

	<u>Recurring</u>	<u>Non-Recurring</u>
USAF Billings		\$ 1,200,000
RAF Billings		635,000
EAL	\$ 715,000 - 1,549,000	
Landing Fees	- -	
Navigational Charges	350,000	
Embarkation Fees	115,000	
Rentals	57,000	
Aviation Fuel Concession	100,000 - 200,000	
Duty Free Shops	20,000	
Headquarters Revenue	<u>5,000</u>	
TOTAL	\$ <u>1,362,000 - 2,296,000</u>	\$ <u>1,835,000</u>

It can be seen that the potential exists for covering an \$907,000 CAA deficit rather easily. Certainly, participation by EAL, at least to the extent of making CAA self-sufficient in its operations, is reasonable. The USAF and RAF bill-

ings are actually outstanding accounts receivable for services rendered, and arrangements should be made to reimburse CAA. On the basis of the potential available to CAA, there is little justification for requesting subsidy from the Ministry of Finance to cover its operating budget. Rather, efforts should be directed towards collecting revenues now due CAA, negotiating some arrangement with EAL, and increasing charges as outlined here.

THE QUESTION OF SUBSIDY FOR CAA

In the Order which moved to change CAA's status to that of an autonomous agency, provision has been made to collect subsidy from the Ministry of Finance, in the event revenues from self-generated sources are insufficient to cover operating costs. Such subsidy would be requested as an item in the budget of the Ministry of Communications.

From SARC's observations during the period of its work with CAA, and from conversations with CAA staff, it is evident that so long as CAA must submit a budget to the Ministry of Finance, even though just for subsidy support, and no matter how small the amount, CAA will have little effective control over its own affairs.

An integral part of the reorganization of CAA, as recommended and implemented by SARC, is a new pay scale, periodic pay increases, merit programs, etc. If CAA must submit a request for subsidy equal, for example, to the amount of periodic pay increases, the request for subsidy may be denied. The basis may be that salary increments were granted the preceding year; other government agencies did not receive succeeding salary increments and therefore CAA is not entitled to favored treatment. While this rationale may not appear reasonable from the viewpoint of CAA, it is logical from the Ministry of Finance view since that agency is attempting to finance a government with funds which are insufficient to meet all requests. Thus it can be seen that so long as CAA is subject to this control, any orderly and enlightened plans for maintaining a personnel program competitive with other independent agencies are in jeopardy.

Actually there are at least two reasons why monies received from the Ministry of Finance should not be treated as "Subsidy". In the first place, the USAF "accounts receivable" represents services rendered by CAA, and properly payable. If CAA requires additional funds from Finance, it would appear to be immaterial to that agency whether it is labeled "Foreign Ministry Payment on behalf of

USAF" or "Subsidy". From CAA's viewpoint, however, the labeling means the difference in whether or not CAA is master of its own affairs.

In the second place, CAA provides costly meteorological services which are not related to aviation. Someone should pay for this service. It is strange logic indeed that classifies payments to CAA for non-aviation services which it is required to maintain as aviation subsidy, if CAA revenues are adequate to cover aviation services. Again, the label makes little difference to the Ministry of Finance, but to CAA it is important. Arrangements should be made to recognize the non-aviation nature of these services compensate CAA accordingly - not as subsidy.

To be effective as an autonomous agency, CAA must refrain from seeking subsidy. SARC has so recommended, and believes there are ample revenues available to CAA for paying its own way. Hopefully, by July 8, 1972 all procedural and financial requirements for autonomy will have been met.

VI. SUPERVISORY TRAINING PROGRAM

As noted earlier SARC discovered that there was an urgent and significant requirement in CAA for supervisory and management training. Subsequently, SARC proposed a training program tailored specifically to CAA's needs. CAA accepted the proposal, the contract was appropriately amended, and the training program was conducted by an exceptionally well-qualified training specialist associated with SARC.

The training program had two objectives: (1) to provide basic and advanced training to CAA supervisor groups and (2) to give on-the-job training to CAA training specialists who could continue supervisory training within CAA in the future.

Two Basic Supervisory courses were held - one in Addis and one in Asmara, with a total of 49 participants. In addition, 23 CAA staff members at management levels took an advanced supervisor course. The preparation, instruction, post-training analysis and briefing two CAA staff members who will continue the supervisory training, required a total of five calendar weeks.

In the basic courses, instruction was given in the five broad areas discussed below. In each session participants were involved in analyzing situations drawn from their everyday experience. Thus, application of the techniques being studied had some very real meaning.

The five study areas of the basic course, and their objectives, were as follows:

The Supervisor's Job - to introduce trainees to the series and to develop an understanding of principal tasks, problems and requirements of supervisors in the CAA.

Working in an Organization - to relate the individual trainee's position, obligations, authority, and communication channels to the structure of CAA; to build an understanding of the relationships between elements of the CAA organization; and to demonstrate how the Administration's organization can contribute to an individual supervisor's ability to perform. The unit presented guidelines for the assignment of tasks and the issuing of clear

written and oral instructions.

The Supervisor as a Leader - to give the trainees an understanding of the relationship of a supervisor to his work group; the factors for which a follower is dependent upon his leader; and how a supervisor can develop and use these dependencies to guide and direct his work group.

Methods Improvement - to demonstrate to supervisors the importance of efficient methods in the work of their group and to teach simple methods of analysis useable in CAA office and field operations. It demonstrated the relation between methods improvement, cost control and training.

Developing Employee Work Skills - to give the supervisor an understanding of the vital importance of training his employees; how to identify training needs; principles of learning; and how to apply effective methods in on-the-job training. Relation of training to performance evaluation, to employee motivation, and to effective work assignment was covered.

In the Advanced Supervisory course, training was concentrated on three major areas:

Standards for Employee Evaluation
Constructive Performance Evaluation
Cost Management

all of which were particularly appropriate in view of CAA's new status.

The employee evaluation aspects in both courses were specifically related to personnel procedures developed by SARC in Performance Evaluation and Discipline. Thus the courses actually assisted in implementing these new procedures.

VII. RECOMMENDATIONS MADE TO CAA

Earlier chapters of this report discussed the activities of SARC during the period of the contract. From time to time specific recommendations or requests were made to the CAA Administrator or his key aides in connection with an element of the project which was in process. In other cases, recommended actions were implicit in procedures which were drafted. In this section, we shall identify those proposals presented to CAA, whether specifically recommended, or implicit in our submittals. For ease of comparison the recommended actions are keyed to Article 3 of the contract "Statement of work and services to be performed".

- Nos. 1, 2, 4 & 9. Review present organization and procedures. Review previous studies and recommendations. Develop a scheme of organization and prepare job descriptions showing responsibilities and duties required by each key position. Develop necessary clearance functions between Headquarters offices and review arrangements for Headquarters - Field Office coordination.

RECOMMENDATION: Adoption of New Organization Proposal

Status: Adopted and implemented with minor changes. SARC expressed its reservation at elevating the meteorology function to Departmental level. (February 1971)

RECOMMENDATION: Adoption of Proposed Position Descriptions and Function Statements. (Clearance and coordination are inherent in function statements)

Status: All position descriptions and functional statements were accepted, with minor changes in position titles and some additional refinement in definition of duties. Implementation was gradual, as staff assignments were made and transfers effected. (May to July 1971)

RECOMMENDATION: Adoption of Operating Guidelines Further Clarifying and Explaining Functional Relationships

Discussion: During the implementation period following the reorganization minor questions arose concerning functional relationships. It was felt advisable to issue clarifying instructions.

tions (See Operating Guidelines 1000.2, 1000.3 and 1000.4)

Status: All suggested guidelines adopted and effective (March to Oct. 1971).

RECOMMENDATION: To Delegate Certain Administrative Authority to Key Officials

Discussion: Prior to the reorganization, the Administrator was unduly burdened with paper work associated with payment of bills, authorizations to purchase, routine correspondence and signing pilots' licenses, etc. Delegation of a great deal of this work was necessary to relieve the Administrator and expedite the flow of administrative work.

Status: Recommendation adopted and delegations are in effect. (4 June, 1971). The Administrator noted substantial relief.

- No. 3. Develop total staff requirements and personnel qualifications required to man the positions in the proposed organization.

RECOMMENDATION: Adoption of Proposed Staffing Plan, with the Filling of Vacancies to be Completed over Several Years on the Basis of Established Priority Needs.

Discussion: The staffing plan recommendation represented a joint effort by CAA's Personnel Management Division and SARC. During its preparation, SARC was continually pressing for fewer positions. A major revision downward was made in the Meteorology Department after strong representations were expressed by SARC.

Status: Implemented (July 1971), generally along the lines recommended. Of the 140 new positions it was tentatively decided to fill only 14 during 1971-72 and to withhold a decision on filling future vacancies until the need for funds availability were more precisely determined.

RECOMMENDATION: Fill Positions of Controller, Internal Auditor, Head, Operations Department, and Manager, Administrative Services as quickly as Possible.

Discussion: When the new organization plan was announced, the key positions named in the recommendation were not filled. With experience it became apparent that in order to maximize the effectiveness of the new arrangement these key positions should be functioning.

Status: Recommendation submitted on October 19, 1971. No action as of this report.

Note: Qualifications for the positions established in CAA are inherent in position descriptions and staff assignments. No formal submission was made, however, a handbook of position qualifications to match positions in the staffing plan was prepared for the Personnel Management Division.

- No. 5. Prepare an administrative manual and technical manual that will service as guidelines for the CAA organization.

RECOMMENDATION: Adoption of General Administrative Procedures and Guidelines as Developed by SARC.

Discussion: General administrative procedures which exclude those dealing with personnel, financial and property matters were limited pretty much to "housekeeping" matters. The applicable guidelines cover a broader range of CAA functions and, as explained earlier, are designed to clarify and amplify formal procedures.

Status: All procedures adopted and made effective (Aug. - Nov. 1971).

- No. 6. Review and revise job classifications, pay scales, incremental increases and incentives. Develop personnel regulations, training requirements, promotion opportunities and disciplinary procedures.

RECOMMENDATION: Adoption of Personnel Package Which Includes, Among Other Things, All the Items Specified Above.

Discussion: This subject was treated in some detail in earlier parts of this report. It is embodied in the CAA request to CPA for a delegation of authority on personnel matters.

Status: All items were accepted by CAA, with modifications as follows:

- a. SARC proposed annual salary increments, to be effective immediately. However, CAA felt there was a need to ease the financial impact on CAA resulting from the initial salary adjustments plus immediate annual service increments. Therefore, it intends to grant biannual increments, instead of the annual increments proposed by SARC, during the first three years. After three years, the increments would be on an annual basis.
- b. Nine positions classified by SARC in the top three grades were classified one grade lower by the Administrator for a temporary period. In principle SARC classifications were accepted but will not be implemented until next year.
- c. In the performance evaluation program as a means of stimulating improvement in performance, SARC recommended that performance ratings be discussed with the employee, and that the employee receive a copy of the rating. CAA has modified this approach to require discussion of an employee's performance without reference to his rating, and has made performance ratings confidential, except "Unsatisfactory" or "Outstanding".
- d. SARC proposed automatic salary increments based on service. CAA modified the arrangement to provide for 50% of the increment if performance was marginal.

The entire personnel package including the salary scale, position classification and procedures was submitted to CPA on Oct. 4, 1971. The delegation of authority has not been issued by CPA as of this report.

RECOMMENDATION: To Undertake a Supervisory Management Training Program

Discussion: The need for this training was discussed earlier.

Status: CAA contracted with SARC to provide such training. The program was conducted Sept. 18 - Oct. 23, 1971 and is discussed in this report as a separate item.

RECOMMENDATION: To Provide Training for Selected Management Personnel.

Discussion: Aside from the need for supervisory training, SARC noted that a number of management personnel, although capable and performing adequately, had a need for additional training or familiarization, due principally to the fact that new duties were undertaken when CAA was reorganized. Specifically, additional training was recommended as follows:

Assistant Manager, Administrative Services. About two years training abroad, to complete training toward a degree in Business Administration. Incumbent is extremely capable and has good administrative instincts. Previous background is accounting. Training abroad recommended in order to broaden his scope internationally, since CAA is an internationally-oriented agency.

Chief, Personnel Management Division - four to six months training in the field of personnel management. Although previously in the technical field, this man has an unusual aptitude for personnel work. He needs a theoretical and philosophical base to support him and a look at other personnel situations.

Chief, Aerodrome Services Division - an orientation visit to a country which has central control over its airports. This position and function are new in CAA, and the incumbent feels somewhat unfamiliar in his new role. An opportunity to see how the function is carried out abroad will assist him in grasping the requirements of his new position.

Chief, Office of Security - a visit to another country to furnish him with the needed background to develop CAA's new Office of Security. This is an entirely new but necessary function. By observing security policies and arrangements, the incumbent will be in a position to

develop the kind of security arrangement required for Ethiopia.

Status: This recommendation was presented in October 1971. Action has been taken with respect to the Personnel Manager, who is programmed for training in early 1972. No action has yet been taken on the others, although there appears to be an understanding that it is necessary.

RECOMMENDATION: That the Administrator Participate in a Short Term Executive Training Seminar Sponsored by the American Management Association.

Discussion: Since CAA, when fully autonomous, will be operated in corporation-like fashion instead of as a government ministry, SARC felt that exposure to the type of training recommended would be invaluable.

Status: No action as of this report; however the recommendation was submitted in late November and the Administrator has not had an opportunity to take the necessary action. He is interested, however.

RECOMMENDATION: To Hold Regular Staff-Meetings and to Publish an Employee Newsletter.

Discussion: A basic problem within CAA, which has a substantial effect upon employee morale, has been the lack of effective communication between management and lower staff levels. It was SARC's feeling that staff meetings and a newsletter would improve communications considerably. Weekly staff meetings by the Manager, Technical Services, and Manager, Administrative Services, and monthly meetings by the Administrator, were recommended. A monthly employee newsletter was proposed.

Status: Staff meetings were introduced by the Managers in October 1971, and the Administrator has indicated he intends to begin his meetings early, probably in January. As of this report, no action has been taken on the newsletter, although

responsibility for this function has been assigned.

- No. 7. Prepare manuals for budgeting, revenue collecting, revenue collection and billing, accounting, auditing, property control and procurement and stores.

RECOMMENDATION: Adoption of all Procedures and Operating Guidelines Related to Financial and Property Management, as Outlined Above.

Status: All procedures have been adopted and put into effect. (Aug. - Oct. 1971).

- No. 8. Study existing sources of revenue and suggest additional methods of increasing CAA revenues, looking toward eventual financial autonomy for CAA.

RECOMMENDATION: Adoption of the Following Actions to Increase Revenues.

- (1) That CAA not request subsidy support for its operating budget for the fiscal year 1964-65 (E.C.). In light of the resources available to CAA, we do not believe there is justification for a subsidy request. By not requesting subsidy, CAA will be assured of direct and complete control over its own affairs.
- (2) That CAA immediately begin negotiations with the Ministry of Finance and the Ministry of Foreign Affairs toward internal settlement of the outstanding obligations of the US Air Force, and the Royal Air Force, amounting to about \$1.8 million, which are properly due to CAA for services rendered.
- (3) That negotiations be undertaken with Ethiopian Air Lines to effect some arrangement for the payment of landing fees and navigational charges for international flights, at least to an extent sufficient to eliminate CAA's need for subsidy, taking into account other revenue increases. The arrangement should provide for ultimate full payment of such costs, and for the removal of discrimination against foreign carriers serving Ethiopian points.
- (4) That navigational charges be increased by 14%, possibly using the formula developed by the Office of Plans and Policy, effective Jan.

1, 1972.

- (5) That embarkation fees be increased from \$3 to \$5 for international passengers, effective January 1, 1972.
- (6) That rentals for land and building use be increased to (1) reflect the going rate for business property; and (2) to cover costs of servicing such property. No long term leases should be entered into until a decision on the rental rates is made.
- (7) That contracts for the distribution of aviation fuel be renegotiated as soon as possible and new agreements signed which provided either for a fee per gallon, or a percentage of the gross revenues from sales of aviation fuel, designed to produce a minimum of \$200,000 and a maximum of \$400,000 annually, with percentage decreasing as volume increases.
- (8) That contracts for the duty free shops at Addis and Asmara be renegotiated and put on a fixed-rental + percentage-of-gross-sales basis. The minimum percentage should be 3 percent, and tenders for this concession should so indicate.
- (9) That fees and rates for licenses, registration, certificates, examinations, etc. issued by the Flight Standards Division be doubled, effective Jan. 1, 1972.
- (10) That rates charged for utility services (light, water, etc.) be re-examined and the level fixed at a rate high enough to recover the costs for handling these items, for effectiveness on January 1, 1972.
- (11) That the contract with IBTE for handling class "B" messages be renegotiated, with a view to obtaining a more equitable proportion of the revenue from such messages.
- (12) That representations be made to the Ministry of Finance to secure payment - not designated as subsidy - for non-aviation meteorology services provided by CAA.

Status: In response to SARC recommendations, CAA is moving to implement some of them, as follows:

Increase in navigation fees (4) and passenger embarkation fees (⁵) as recommended have received initial informal approval.

Action has been taken to increase rental fees, when leases expire (6).

Discussions are underway to increase revenues from the aviation fuel concession (7).

An administrative decision has been made to charge EAL for navigational charges on international flights, since EAL has increased its fares for this purpose (3).

The recommendation by SARC that no subsidy be requested has not been accepted. (1)

Action on other recommendations has not yet been taken.

- No. 10. Review existing procedures for enforcing the law and regulations relative to civil aviation in Ethiopia.

RECOMMENDATION: To Adopt a System of Safety Regulations to Become Effective by January 1, 1972 if Possible.

Discussion: CAA has responsibility for the regulation of civil aviation in Ethiopia and actually carries out the functions of licensing airmen and aircraft, conducting airworthiness examinations, investigating safety matters, etc. However, there are no formally-issued regulations to support the work, and the safety staff is hampered in its work because it has no basis for imposing penalties. Regulations have been drafted but never promulgated.

Status: Recommendation submitted on Oct. 7, 1972. No action as of this report.

- No. 11. Identify supervisory training requirements; conduct training; train CAA "Supervisory Training Officer"; recommend future actions and procedures for training newly-selected supervisors.

RECOMMENDATION: Adoption of Specified Practices or Procedures in Connection

with Supervisor Development, in Order to Maintain the Momentum of the Training Program and to Maximize its Usefulness.

Discussion: Detailed recommendations were made to CAA, as a result of the supervisor development training program given in September and October 1971. The detailed recommendations dealt with the following broad areas: (1) pre-assignment training of supervisors selected for promotion; (2) identification of training needs and method improvement program, to increase employee productivity; (3) follow-up of supervisory training, by conference conference and newsletters; and (4) establishment of a reference library on supervisor development.

Status: Insufficient time has elapsed since the submission of this recommendation to permit implementation of the detailed practices. However, the stated intention is to do as much as possible to retain the benefits attained from the course.

VIII. EVALUATION OF THE PROJECT

Recommendations which were made to CAA during the course of the Management Consulting Contract covered practically every aspect of organization, management and administration. Implementation of organizational changes and most of the procedures was a gradual process, beginning with the reorganization announcement to the staff in February 1971. However, there has been insufficient time to measure the manner and result of all proposed and implemented changes. Some reasons for this include: (1) the long range nature of some procedures, for example, personnel evaluation, which is performed annually; (2) the requirement to obtain CPA approval of the salary and position classification schedules, which has not yet been received; (3) the procedural difficulties with the Ministry of Finance, which prevented full implementation of the financial procedures; (4) the fact that implementation of a number of recommendations have not yet been undertaken by CAA; and (5) the delay in filling a number of key management positions which are essential to the smooth functioning of the organization as proposed by SARC.

Generally, SARC feels that the changes which have been accomplished thus far have been beneficial, an opinion concurred in by key CAA staff, who incidentally were generally very receptive to the entire program. The availability of written personnel procedures, for example, if properly applied, will reduce substantial complaints of inequitable treatment. The delegations of authority made thus far have expedited the action through CAA offices; and according to the Administrator has given him much more time for policy matters; the supervisory training program was extremely successful, based on reactions of the participants; and the caliber of appointments to managerial posts, with a few exceptions has, we believe strengthened the organization. To sum up, SARC believes that CAA staffing is capable and the new organization and procedures provide the necessary tools for an effective operation. There is no reason why the CAA should not be successful as an autonomous agency.

In the following paragraphs specific aspects of the CAA operation will be discussed, hopefully, to provide an indication of the agency's status as of the end of the contract period.

QUALIFICATION OF THE STAFF

In SARC's opinion, the CAA staff, with proper direction, is capable of sett-

ing an example in the Ethiopian government. They generally are well qualified and are broad in their outlook, undoubtedly due in large measure to the exposure of many to international living. By and large there is a pride on the part of all CAA employees in their work and in their agency - probably because of the dynamic - and to some romantic - nature of aviation.

When SARC commenced its work, the administrative aspects of CAA were in disarray, chiefly because most attention in the agency was devoted to the technical operation. As a result, insufficient consideration was given to the quality of administrative appointees, and that part of CAA was, in fact some times a "dumping ground" for unsatisfactory employees. Changes made in the administrative arrangement, and quality appointments made by the Administrator under the new organization, have made the administrative side of CAA as strong as the technical operation. With a fixed staffing plan, and position classification schedule, the practice of transferring employees to positions for which they are not qualified cannot be accomplished as easily as before. The employee evaluation and discipline procedures now provide a basis for dealing with unsatisfactory employees.

On the technical side, the management staff are well trained, and knowledgeable in their subjects. They are conscientious in providing additional orientation for technicians on the line. The separation of Field and Headquarters responsibility was somewhat difficult for Headquarters technical management to adjust to at first. They were accustomed to supervising the day to day operations, and the matter of developing standards was not familiar. However, as of this report most of them have now "changed gears" and are actively moving to fulfill the roles contemplated for Headquarters technicians.

Top management, of course, ultimately is responsible for the successful or unsuccessful operation of CAA. The Administrator and his Deputy, together with the two Managers, form a team which could do an outstanding job in directing CAA activities. Excellent judgment characteristics are present, individually and collectively. The two Managers have no difficulty in making decisions promptly and work well together, thus insuring that the day-to-day operations will move along. At the top level, all matters are studiously considered, and the resulting decisions are sound. However, on some items involving the operation there appears to be unusual delay, a fact which produces some frustrations at lower levels.

Field operations are generally well staffed but some adjustments are required, and these have been made known to the Administrator. The technical maintenance and administrative personnel have the capability of performing well, thus the key is management. The PAS report, which was discussed at the beginning of this report, commented at length on the fire services at field locations. While SARC has looked at the purely management and organizational aspects, no evaluation has been made of the technical requirements. It is SARC's opinion, expressed often to AID and CAA, that a thorough technical review of this operation is required to determine precisely what personnel and equipment requirements exist, considering among other things, the relatively limited use of airports in Ethiopia. SARC recommended to CAA that no additional fire personnel be engaged until such a study is made.

In summary, SARC believes the CAA staff, as a group, is well qualified to carry out its responsibilities. Despite this qualification problems do exist, and these will be discussed in a following section.

PROSPECTS FOR FINANCIAL SELF-SUFFICIENCY

Throughout this report, we have stated or implied that the potential for CAA self-sufficiency is excellent. If the recommendations made by SARC are carried out, CAA will have little difficulty in meeting all of its operating expenses, and in time, contribute to capital requirements. Beginning with July 1972, some of the financial difficulties will be overcome, assuming that the proclamation implementing Order No. 69 is issued, and CAA is completely autonomous. As an independent agency, CAA cannot be committed by any other government ministry or agency to exempt operators from CAA charges. Thus, with autonomy the USAF will be expected to pay its charges.

If the Ministry of Foreign Affairs desires to continue the present arrangement, under which the USAF does not pay, then CAA charges will probably be forthcoming from the Foreign Affairs budget.

Also, it is highly probable that Ethiopian Air Lines will be expected to pay navigation charges on its international flights. It is our understanding that the carrier has recently begun charging its passengers an additional amount, to assist the carrier in defraying navigational charges. Therefore, it is legal and appropriate that EAL pay CAA for navigational charges.

some indication of the prospects for self-sufficiency is apparent from the figures in Appendix 10, which is a forecast of operating results for the present fiscal year, and two future periods, submitted to AID on November 11, 1971. The revenue assumptions incorporate the changes contemplated by the Administration in fee levels. The statement is conservative in that it assumes no increase in air activity or number of passengers, even though the Addis Ababa airport will be operated on a 24-hour basis, with the number of flights almost certain to increase. Additionally, provision has been made for filling a number of vacancies.

It is readily apparent that even with a minimum of action by CAA to increase revenues, the prospects for financial self-sufficiency are excellent. With full exploitation of all potential revenue sources, it is SARC's firm belief that all of the operating budget plus a substantial portion of CAA's capital requirements can be met.

OPERATING PROCEDURES AND GUIDELINES

Considering the fact that CAA had no written procedures of its own before the period of this contract, the agency did a commendable job of coping with its various administrative functions. The development of uniform written procedures was welcomed, and it became evident shortly after they were introduced that the staff intended to take them seriously. If they continue to do so, CAA will operate more smoothly. Undoubtedly many minor revisions will be necessary, as experience is accumulated. However, provision has been made to facilitate procedure amendments so adjustments should present no difficulty.

The various procedures and guidelines have been in operation for periods varying from two to five months. Therefore, experience with some of them is quite limited, so it is difficult to measure their value. Because of the requirements of the Ministry of Finance and the lack of full autonomy, it has not been possible to implement all aspects of the new accounting system. However, the Accounting Division is preparing for full implementation as soon as there is no further need to report to the Ministry of Finance.

Those procedures covering the most active CAA administrative areas, such as purchasing and procurement, agency travel, personnel transfers, etc., appear to be fulfilling the agency's needs satisfactorily.

TRAINING

A procedure was developed which provides for a coordinated CAA training program, with the Personnel Management Division having primary responsibility for coordination. This should provide the balance which is required to insure that all training requirements are met.

SARC believes that the "mass" training of technicians which was programmed during the past eight years or so will no longer be required in CAA. Nor will it be necessary any longer to send candidates abroad for from four to six years for training, with the increasing capability of H. S. I. University. As a matter of fact, the training procedure provides for a maximum of two years of study abroad. From SARC's observation training will be needed primarily for refresher, orientation and upgrading purposes, most of which will be on an individual basis. The technical complement of CAA will need to be augmented from time to time, but not in any large numbers. So training will be selective, and will cover administrative as well as technical areas. The procedure arranged for training developed jointly by SARC and the staff should meet CAA's needs.

Supervisory Training

Evaluation of the real effectiveness of the supervisory training can be accomplished only after enough time has elapsed to give the trainees an opportunity to demonstrate their application in day-to-day supervisory action. Apparent effectiveness can be evaluated upon the basis of observation of the trainees during training, and their expressed reactions to the training.

Enough time has not elapsed to permit a reliable assessment of the real effects of the conferences held in September and October 1971. Supervisors will be greatly influenced by the attitudes of their own supervisors. Application of the knowledge gained through training will be increased by the positive backing of newly-trained supervisors by higher levels of supervision. Each level should encourage the use of the techniques for problem solving, leading, work assignment, methods improvement, and on-the-job training at every opportunity. As real effectiveness is developed, managers will observe a reduction in employee complaints, an increase in employee morale and job satisfaction, less confusion regarding work assignments and work authority, increased work output due to simplification of work methods, and higher job skill levels due to systematic training.

Indications of apparent effectiveness of the training have been:

1. Active participation by virtually every trainee in the discussions and practice of techniques.
2. A large majority of the participants expressed great personal satisfaction with the content and the method of presentation. These comments were made to the training specialists and to the trainees' managers.
3. Several trainees solicited further help in solving specific problems, indicating acceptance of the concepts presented.
4. Numerous requests were received for continuation of training for the same trainees.
5. The trainees during the basic program frequently expressed the need for the training by the higher levels of supervision. As a matter of fact, the summary of basic program content given to the advanced group was extended from one hour to four and one-half hours.
6. Several indications of interest were received in the possible extension of the training program to other ministries and agencies.

The net effect of these indicators is to show a clear, positive effect upon initial attitudes and a recognition of the value of the knowledge and techniques received.

UNRESOLVED PROBLEMS FACING CAA

From the foregoing discussion it can be inferred, and rightly so, that CAA possesses the qualifications and potential to be a successful, self-governing autonomous agency. SARC feels that progress has been made in the past sixteen months in constructing an organized and orderly management and administrative arrangement. However, there are several characteristics, at management and staff levels alike, which cannot be governed by procedures, yet which can make the difference between a successful, vibrant agency and one that "gets by", but is lifeless and is not too successful.

Communication

One of the basic difficulties in CAA based on SARC observations over the past sixteen months, is a continuing lack of satisfactory communication - between management components, between management and lower level staff and between lower level staff components. Until two months before this report, staff meetings were called at the top management level only when a crisis arose, or when something special was to be considered. At lower levels, a few of the supervisors hold regular staff meetings.

There is no general circulation of agency news to employees, with the result that employees are uninformed and have a feeling of not belonging. Employee recognition is extremely limited. No acknowledgment has been made of staff members for service to the agency - some with twenty years.

In an effort to assist CAA in meeting this problem, SARC has done several things. An employee's information handbook has been developed to provide at least basic information to the employees; an incentive program has been designed; there have been incorporated into the functional statements and position descriptions functions and responsibility for producing a monthly newsletter for employees; the supervisory training specialist has recommended a periodic management newsletter; and a formal recommendation has been made as to the frequency and content of regular staff meetings at the management level. Informally SARC has urged regular meetings at lower levels.

There are indications that the regular staff meetings, implemented at SARC's recommendation, have already contributed to improved communications. As time goes on, if these meetings are continued, communication should gradually improve. If other recommendations by SARC are also implemented, there undoubtedly will be a significant improvement in communications. If they are not implemented or if staff meetings are not continued, the problem of poor communication will continue.

Delegation of Authority

An inherent and apparently cultural characteristic which was discussed at length in the supervisor training sessions is a lack of trust among the employees. Supervisors are reluctant to delegate authority to their subordinates, with the natural consequence of a lack of interest. This has resulted

in poor job performance and disciplinary problems which, in functions which involve public service to the public, inevitably redounds to the discredit of the agency.

As a result of SARC recommendations, and in procedures, delegations of authority at management levels have increased significantly, but the problem persists at lower levels. It is our hope that the supervisor training conferences will assist in overcoming this characteristic. However, it remains with the management of CAA to continually encourage lower level supervisors to develop a sense of trust and cooperation with their subordinates.

Identity as a Regulatory Agency

During the past decade, CAA has not been identified by the public as the body responsible for regulating civil aviation in Ethiopia. There seem to be several reasons for this. One of these is that during the early years of the decade the agency was not technically competent to fully discharge its regulatory duties. The second reason is the predominance of Ethiopian Air Lines, with its relatively good management, sophisticated public relations and well trained technical staff. As a result the Ethiopian public considers EAL as the only civil aviation entity. Many people, in fact, understand that CAA is part of the EAL organization.

The situation has changed, but the image persists. CAA with its technicians now well trained is fully capable of fulfilling its regulatory responsibilities. However, it has no published regulations, so that it lacks the "teeth" to take firm regulatory action.

SARC has recommended the prompt promulgation of safety regulations and has submitted a draft procedure for imposing penalties to enforce these regulations. A public information function has been established, and all units of CAA have been alerted to feed information for public release. If these recommendations are implemented, CAA will become recognized as the primary agency in Ethiopia responsible for civil aviation. It is management's duty to see that this result is accomplished.

IX. BREAKDOWN OF PROJECT COSTS

Costs incurred under the contract, including negotiation costs and other expenses incident to the contract, are broken down in the following tabulation. Precise accounting figures are not available, pending submission of the final statement. Therefore, the amounts shown are estimates which, however, we believe will be near the actual amounts expended.

US DOLLAR COSTS

1. Overseas Salaries at US Base Pay	\$ 34,760
2. Overseas Differential	5,214
3. Overhead on Item 1	19,606
4. Home Office Salaries	36,800
5. Overhead on Item 4	<u>37,539</u>
Sub Total	133,919
6. Fixed Fee @ 10%	<u>13,392</u>
Sub Total	147,311
7. International Travel	9,427
8. International Travel - Per Diem	1,122
9. Other Direct Costs	<u>6,614</u>
TOTAL	\$ 164,474

LOCAL COSTS

Subsistence in Ethiopia	
10. Project Manager	E\$ 11,196
11. Other	5,850
12. Car Expense	5,140
13. Local Travel	1,405
14. Telephone, Telegraph & Postage	1,100
15. Supplies, Equipment & Printing	4,700
16. Administrative, Liaison & Secretary	
Services	42,163
17. Miscellaneous	<u>2,500</u>
TOTAL	E\$ 74,054

SUMMARY

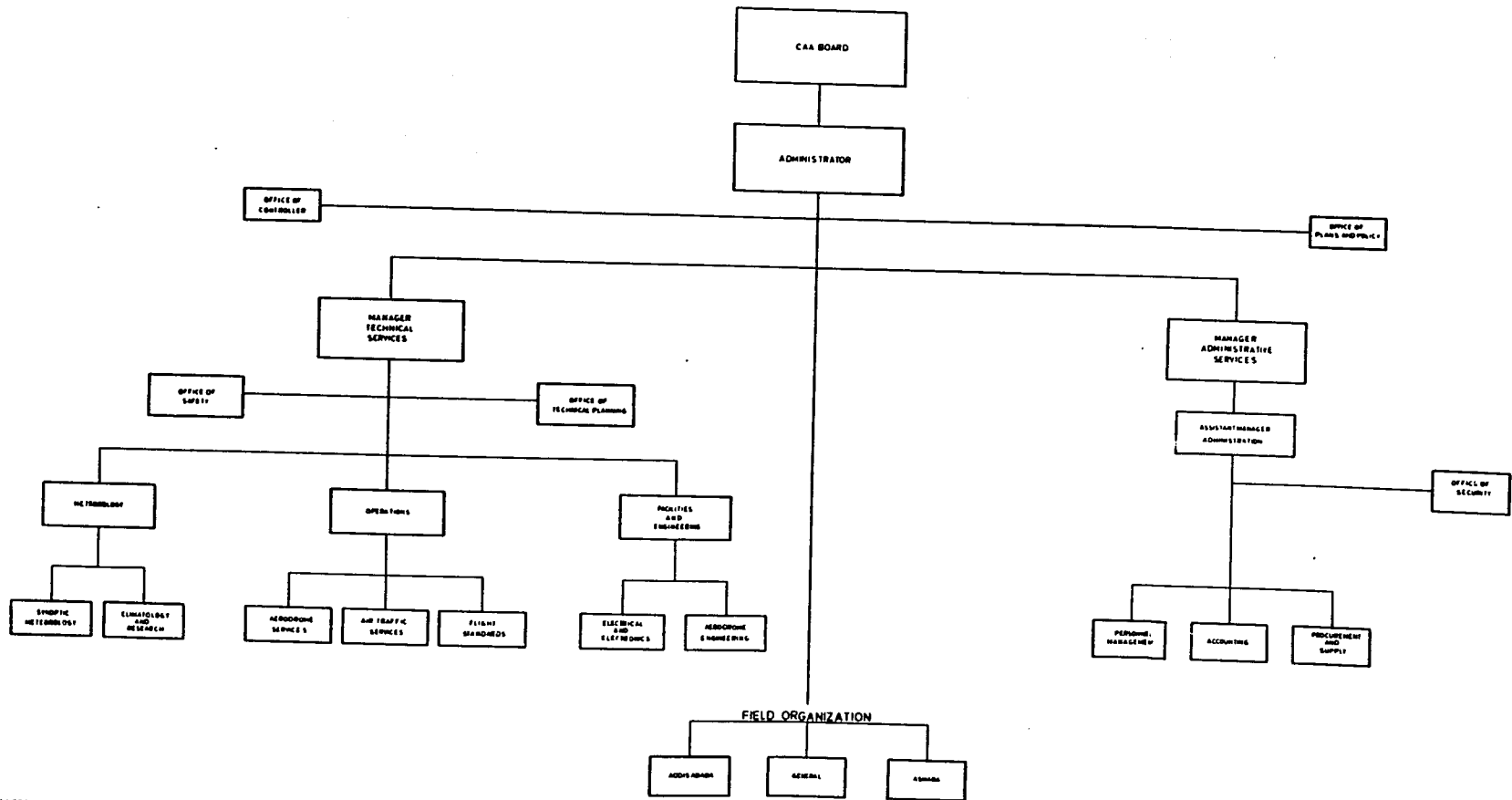
	<u>Eth. \$</u>	<u>US \$</u>
Original Amount of Contract	\$ 119,533.00	\$ 155,824.00
Revised Amount of Contract	75,450.00	171,898.00
Estimated Total Expenses Under Con- tract	74,054.00	164,474.00
Estimated Amount Unspent	\$ 1,396.00	\$ 7,424.00

X. FINAL SHIPPING REPORT

During the entire period of the contract, there were no items of equipment, materials or supplies of United States source or origin shipped by SARC.



IMPERIAL ETHIOPIAN GOVERNMENT
CIVIL AVIATION ADMINISTRATION



200.3 SUMMARY OF FUNCTIONS

ADMINISTRATOR

The position of the Administrator is that of chief executive of the Civil Aviation Administration and as such is responsible for the proper administration and operation of all activities of CAA.

CONTROLLER

To ensure that the operations of the Agency conform to established principles of fiscal responsibility; that internal procedures provide proper accountability and effective records and reports; and that the programs and plans of CAA are integrated with other financial requirements set forth by the Government.

OFFICE OF PLANS AND POLICY

To develop and recommend to the Administrator broad basic objectives and policies of the CAA; to maintain and coordinate a liaison with other government agencies particularly on broad policy matters; to advise and assist the Administrator in international relations and facilitation; to provide a focal point and assist the Administrator on economic planning; and to be responsible for legal matters and the public information program of the CAA.

MANAGER - TECHNICAL SERVICES

To direct and coordinate the operational and engineering plans and programs of the Civil Aviation Administration.

OFFICE OF SAFETY

To provide an organizational mechanism for the conduct of objective accident investigations; to provide for the issuance of necessary, well-coordinated, enforceable safety regulations with methods and procedures for enforcing same; and to provide for the continuous review of all factors affecting safety.

OFFICE OF TECHNICAL PLANNING

To develop and recommend to the Manager, Technical Services basic technical objectives and plans of the CAA; to provide a focal point and assist the Manager, Technical Services on technical planning.

METEOROLOGY DEPARTMENT

To provide coordinated advice and assistance to the Manager, Technical Services on all aspects of aviation meteorology and to provide for the development and operation of a meteorological service adequate to meet the needs of the Imperial Ethiopian Government.

OPERATIONS DEPARTMENT

To provide coordinated advice and assistance to the Manager, Technical Services on all operational aspects of CAA's aerodromes and airways plans and programs.

AERODROME SERVICES DIVISION

To provide the principal staff advice and support for the operation of Ethiopian civil airports.

AIR TRAFFIC SERVICES DIVISION

To provide for the management of air traffic in the navigable airspace by developing and recommending national policies and national programs, regulations, standards and procedures for the management of the airspace, operation of the air navigation and communications systems and facilities, separation and control of, and flight assistance to, air traffic; provides for the aeronautical information service; and provides for the operation of the search and rescue alerting network.

FLIGHT STANDARDS DIVISION

To promote safety of flight of civil aircraft by assuring the airworthiness of aircraft; the competence of airmen; the quality of air agencies; the adequacy of flight procedures and air operations; and the maintenance of aircraft registries.

FACILITIES AND ENGINEERING DEPARTMENT

To provide coordinated advice and assistance to the Manager, Technical Services on all engineering aspects of the CAA's aerodromes and airways plans and programs.

ELECTRICAL AND ELECTRONICS ENGINEERING DIVISION

To provide the principal engineering staff advice and support for the design, installation and maintenance of air traffic control and navigation aids, communications systems and facilities, visual aids, and power supply systems required by the Civil Aviation Administration.

AERODROME ENGINEERING DIVISION

To provide the principal engineering staff advice and support for the design, construction and major maintenance of Ethiopian civil aerodromes and the buildings and structures required by the Civil Aviation Administration.

MANAGER, ADMINISTRATIVE SERVICES

To direct and coordinate the administrative plans and programs of the Civil Aviation Administration.

OFFICE OF SECURITY

To safeguard CAA security interests through effective information, physical, and financial security programs.

PERSONNEL MANAGEMENT DIVISION

To provide the principal staff advice and support on personnel and training policy, standards and procedures in the Civil Aviation Administration.

ACCOUNTING DIVISION

To ensure that CAA financial records are maintained so as to reflect properly the CAA's fiscal status and current operations. To ensure that accepted accounting and accountability procedures are established and adhered to. To provide on both continuing and ad hoc bases the varieties of financial information required for effective administration of the CAA.

PROCUREMENT AND SUPPLY DIVISION

To ensure that the logistics requirements of the CAA are fully met, under the best possible prices and terms, and to provide record-keeping and house-keeping and inventory accountability.

FIELD OFFICES

To operate and maintain the aerodromes and aviation facilities and to provide services in its geographical area of responsibility.

CLIMATOLOGY AND RESEARCH DIVISION - METEOROLOGY DEPARTMENT

To provide for the establishment, maintenance and supervision of a network of meteorological stations as well as the collection, processing, analysing and storing of meteorological data; to conduct appropriate meteorological research, to ensure that the varied meteorological requirements of the different national economical developmental activities are met, by developing and recommending policies and programs to meet the Empire's total national and international requirements.

SYNOPTIC DIVISION - METEOROLOGY DEPARTMENT

To provide meteorological services for national and international navigation of aviation and maritime systems, as an element in their safe, efficient and economical operation; and to participate in the World Weather Watch Program in order to obtain full benefits from the improved meteorological services resulting from such program.

POSITION DESCRIPTION

Title: Senior Cashier

I. Position Summary

The cashier is responsible for receiving cash and making cash payments and for the associated record-keeping in the Accounting Division.

II. Principal Duties and Responsibilities

1. Maintains Receipts Journals and Disbursement Journal.
2. Keeps voucher copies of pending payments and direct expenses in file.
3. Pays salaries and other expenses according to vouchers prepared by Disbursement Accountant.
4. Signs receipts vouchers and other financial reports to be submitted to the Ministry of Finance or other agencies.
5. Personally carries funds from the Central Treasury for salary, running expenses and capital expenditures.
6. Makes bank deposits and withdrawals.
7. Prepares the daily cash report.
8. Makes payment to the respective payees deductions made from employees' salaries.
9. Performs other duties as assigned by Accounting Chief from time to time.

III. Supervision Received

The incumbent reports to the Chief, Accounting Division, but will have continuing work-relationship with Revenue and Disbursement Accountants.

IV. Other Factors

Must have experience in handling cash. Complete honesty is essential. Education should include commercial subjects.

POSITION DESCRIPTION

Title: Watch Supervisor, Aeronautical Communications

I. Position Summary

The incumbent is the Watch Supervisor responsible for the proper accomplishment of all objectives of the aeronautical fixed telecommunication network services on a specific shift at an International Airport.

II. Principal Duties and Responsibilities

1. Directs the work of employees assigned to the shift, assigns responsibility for specific positions; as required, makes assignments of on shift training responsibility; observes performance of employees; offers advice where required and takes actions to relieve employees who appear excessively fatigued; combines or separates positions of operation as required by traffic or employee capability.
2. Assures that proper aeronautical telecommunication service procedures and techniques are observed by all shift personnel; assures effective coordination within his internal organization and with other services; assures that corrective actions are taken whenever short comings regarding circuit discipline and violation of standards are found, handles complaints or other matters presented by users of the aeronautical telecommunication services; assures notification of maintenance personnel in regard to malfunctioning equipment; assures appropriate action in emergency situations.
3. Makes written and oral reports on employee performance, maintains a telecommunication diary and records all unusual happenings. Certifies all radio log books and reports of activities conducted during his shift.
4. Performs such other duties as may be assigned from time to time.

III. Supervision Received

Reports to the Chief, Aeronautical Communications, Station, from whom he receives general supervision and program guidance. Supervision is generally limited to a spot check of work as it is performed, post review of recorded communications, or as shown to be necessary, and provision of training in regard to new procedures and techniques.

IV. Other Factors

The incumbent must be thoroughly familiar with the responsibilities and capabilities of his subordinates, ability to plan and schedule work assignments, ability to direct the operations of a small group of employees, and knowledge of administrative and practices. He must be firm and decisive.

POSITION DESCRIPTION

Title: Administrative Superintendent

I. Position Summary

The incumbent supervises the day-to-day administrative activities at the Airport.

II. Principal Duties and Responsibilities

1. Directs the work of employees engaged in administrative functions at the airport, including personnel, transport, accounting and statistics, tenant administration and procurement and stores. Evaluates and reviews employee performance and ensures that personnel procedures are appropriately and uniformly applied.
2. Reviews administrative procedures on a continuing basis to ensure that they are appropriate and effective; recommends changes which may be needed to improve the system.
3. Makes certain that appropriate statistical and financial data relating to the airport operation are complete, and kept current. Responds promptly to requests from Headquarters for statistical or accounting data.
4. Ensures that an effective transport system to meet the needs of the airport is maintained.
5. Assists the airport management in special administrative assignments which may arise.
6. Performs other duties as assigned.

III. Supervision Received

Reports to the
him in his work.

who guides and instructs

IV. Other Factors

The incumbent must have demonstrated ability to handle a variety of administrative matters. He should be skilled in at least one of the administrative activities which he supervises. He must be able to lead his fellow employees. He must be tactful, but decisive.

POSITION DESCRIPTION

Title: Aeronautical Radio Operator (Grade III)

I. Position Summary

The incumbent is a Junior Aeronautical Radio Operator responsible for performing the duties required for acceptance, transmission, delivery and relay of aeronautical messages. He is responsible for the continuity of traffic over the circuit he has been assigned, either on a lightly loaded national or international circuit. In addition he assists Senior Aeronautical Radio Operators or Aeronautical Radio Operators on busy circuits in endorsing and registering messages.

II. Principal Duties and Responsibilities

1. Transmits and receives messages using radio telegraphy, landline teleprinter, radio-teletypewriter and radio-telephony techniques on a lightly loaded national or international circuit.
2. Endorses all received and transmitted messages and registers them accordingly.
3. Maintains continuous liaison with supervisor while carrying out his duty and consults on any unusual happenings and difficulties.
4. Assists the Watch Supervisor in filing and amending documents and other publications.
5. Records mal-functions of equipment, interference, fading and any other unusual happenings and difficulties.
6. Performs such other duties as may be assigned from time to time.

III. Supervision Received

Reports to the Watch Supervisor from whom he receives general supervision and guidance. Reserves continuous supervision and his work is spot checked for proper and efficient performance.

IV. Other Factors

The incumbent should have a fair knowledge to demonstrate his position. He must be able to send and receive messages on both teletype and MAS circuit. He should be generally familiar with procedures and with codes and other international abbreviations.

POSITION DESCRIPTION

Title: Communications Registrar (Junior Clerk I)

I. Position Summary

The incumbent works in Communications Operations Section at the Addis Ababa Airport, where he performs registry and minor communications functions.

II. Principal Duties and Responsibilities

1. Registers incoming and outgoing communications messages.
2. Delivers incoming messages to airport sections designated to receive them.
3. Transmits local teletype messages between the airport and CAA Headquarters and Ethiopian Air Lines.
4. Performs other related duties as required.

III. Supervision Received

Reports to the Watch Supervisor.

CIVIL AVIATION ADMINISTRATION

PROPOSED SALARY SCALE

Grade	Base Salary	SERVICE INCREMENTS														Maximum Normal Level		Additional Levels Attainable through Merit Increment Awards				Increment Rate (Over Base in %)
		Step 1		Step 2		Step 3		Step 4		Step 5		Step 6		Step 7				1	2	3	4(max.)	
		(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)	(a)	(b)							
1	40	42	45	47	50	52	55	57	60	62	65	67	70	72	75	77	80	85	90	95	100	12
2	55	57	60	62	65	67	70	72	75	77	80	82	85	87	90	92	95	100	105	110	115	11
3	70	73	76	79	82	85	88	91	94	97	100	103	106	109	112	115	118	124	130	136	142	11
4	87	90	94	97	101	104	108	111	115	118	122	125	129	133	136	139	143	150	157	164	171	11
5	106	110	114	118	122	126	130	134	138	142	146	150	154	158	162	166	170	178	186	194	202	11
6	130	134	139	143	148	152	157	161	166	170	175	179	184	188	193	197	202	211	220	229	238	11
7	160	165	170	175	180	185	190	195	200	205	210	215	220	225	230	235	240	250	260	270	280	6
8	195	200	206	211	217	222	228	233	239	244	250	255	261	266	272	277	283	294	305	316	327	6
9	238	244	250	256	262	268	274	279	285	291	297	303	309	314	320	325	332	344	356	368	380	5
10	288	295	302	309	317	324	331	338	345	352	360	367	374	381	388	395	403	417	431	445	460	5
11	345	353	362	370	379	388	397	405	414	422	431	439	448	456	465	473	482	500	517	534	552	5
12	415	425	436	446	457	467	478	488	498	508	519	529	540	550	561	571	582	602	623	644	664	5
13	500	512	525	537	550	562	575	587	600	612	625	637	650	662	675	687	700	725	750	775	800	5
14	590	605	620	634	649	664	679	693	708	723	738	752	767	782	797	810	826	856	885	915	944	5
15	690	707	725	742	759	776	794	811	828	845	863	880	897	914	932	949	966	1001	1035	1070	1104	5
16	790	810	830	849	869	889	909	928	948	968	988	1007	1027	1047	1067	1086	1106	1146	1185	1225	1264	5
17	900	922	945	967	990	1012	1035	1057	1080	1102	1125	1147	1170	1192	1215	1237	1260	1305	1350	1395	1440	5
18	1025	1050	1076	1101	1127	1152	1178	1204	1230	1255	1281	1306	1332	1357	1383	1409	1435	1486	1537	1588	1640	5
19	1155	1184	1213	1242	1271	1300	1329	1357	1386	1415	1444	1473	1502	1531	1560	1588	1617	1675	1733	1791	1848	5
20	1300	1332	1365	1397	1430	1462	1495	1527	1560	1592	1625	1657	1690	1722	1755	1787	1820	1885	1950	2015	2080	5

Appendix A

21 Sept. 71
Revised

CAA POSITION TITLES WHICH DIFFER FROM CLASSIFICATION TITLE

<u>Position Title</u>	<u>Classification</u>
Aircraft Maint. Mechanic Licensing Officer	Licensing Officer
Airman Licensing Officer	Licensing Officer
Airport Cashier	Cashier
Assistant Carpenter	Craftsman IV
Assistant Network Officer	Asst. Met. Officer
Assistant Purchasing Coordinator	Purchasing Clerk III
Carpenter	Craftsman II
Chief, Fire Protection & Rescue	Aerodrome Fire Officer
Chief of Archives, Asmara	Archives Clerk I
Clerk-Stenographer	Jr. Secretary
Coin Machine & Turnstyle Monitor	Junior Clerk II
Communications Registrar	Junior Clerk I
Disbursement Clerk	Accounting Clerk II
File Clerk	Archives Clerk II
Finance & Statistics Officer, Asmara	Revenue Accountant
Junior Mason	Craftsman II
+Junior Plumber	Craftsman III
Maintenance and Inspection Officer	Engineer
+Mason	Craftsman II
Meteorology Instruments Chief	Meteorology Instruments Technician
Meteorology Staff Asst., Asmara	Clerk Typist III
Office Assistant	Junior Clerk I
Operations Officer	Safety Operations Officer
Painter	Craftsman III
Personnel and Transport Chief, Bole	Personnel Officer I
Personnel Chief, Asmara	Personnel Officer I
Personnel Records Officer	Personnel Officer III
Plan: Operator	Driver I
Plumber	Craftsman II
Procurement & Stores Chief, Field	Purchasing Clerk I
Purchasing Coordinator	Purchasing Clerk I
Registry Clerk	Archives Clerk I
Registry Clerk (Asmara)	Archives Clerk III
Revenue Clerk	Accounting Clerk II
Revenue Collector	Accounting Clerk I
+Senior Plumber	Craftsman I
Sr. Carpenter	Craftsman I
Staff Assistant, Administrative Officer	Clerk/Typist II
Staff Assistant, Meteorology	Clerk/Typist II
Transport Chief	Transport Supervisor
Vehicle Cleaner	Cleaner I
Water and Sewage Mechanic	Craftsman I
Survey & Design Officer	Engineer
Stores Assistant	Jr. Clerk II
Regulations & Standards Officer	Safety Regulations Officer
Flight Operations Officer	Safety Operations Officer

+ Not Assigned

CIVIL AVIATION ADMINISTRATION
POSITION CLASSIFICATION SCHEDULE

<u>Grade & Salary Range</u>	<u>Position Description</u>
1 \$ 40 to \$ 80	Cleaner II
2 \$ 55 to \$ 95	Cleaner I Gardener General Maintenance Crewman Guard Guard - Messenger Messenger Cleaner - Gardener
3 \$ 70 to \$ 118	Chief Gardener Cleaner/Gardener Supervisor Fuel Attendant/Mechanic Helper Lead General Maintenance Crewman Jr. Clerk II Motorcycle Messenger Sewage Treatment Attendant
4 \$ 87 to \$ 143	Craftsman IV Electrician & Radio Technician Helper Fireman Junior Clerk I
5 \$ 106 to \$ 170	Clerk IV Driver III Storekeeper III
6 \$ 130 to \$ 202	Assistant Aerological Observer Assistant Electrician/Radio Technician

7	\$ 160 to \$ 240	<p>Clerk III Craftsman III Driver II Rescue Fireman</p>
8	\$ 195 to \$ 280	<p>Archives Clerk III Clerk II Driver I Fireman Driver First Aid Dresser Leading Fireman/Marshaller Storekeeper II Telephone Operator Typist II</p>
9	\$ 238 to \$ 332	<p>Archives Clerk II Assistant Aerological Observer Chief Driver Clerk I Craftsman II Radio Operator III Typist I</p> <p>Accounting Clerk II Aerological Observer Archives Clerk I Assistant Air Traffic Controller Clerk/Typist III Driver/Mechanic Electrician IV Meteorological Observer & Data Processor Personnel Clerk Purchasing Clerk III Radio Operator II Shift Fire Officer Statistics Clerk II Storekeeper I Transport Supervisor</p>

10 \$ 288 to \$ 403

Accounting Clerk I
Aerodrome Services Clerk
Aerodrome Air Traffic Controller
Assistant Automotive Mechanic
Cashier
Electrician III
Clerk/Typist II
Craftsman I
Communications Statistics Clerk
Librarian
Public Announcer & Receptionist
Purchasing Clerk II
Radio Operator I
Radio Technician III
Senior Storekeeper
Statistics Clerk I
Tenant Administration Officer,
Field Office

11 \$ 345 to \$ 482

Aeronautical Information Supervisor,
Field Office
Approach Air Traffic Controller
Assistant Aerodrome Fire Officer
Assistant Aerological Officer
Assistant Meteorological Forecaster
Assistant Meteorological Officer
Cartographer
Clerk/Stenographer
Clerk/Typist I
Disbursement Accountant
Draftsman
Electrician II
Junior Secretary
Maintenance Supervisor
Meteorology Archives Officer

	<p>Personnel Officer III Purchasing Clerk I Radio Technician II Revenue Accountant Sr. Aeronautical Radio Operator Surveyor (Engineering) Technical Librarian Senior Cashier</p>
12 \$ 415 to \$ 582	<p>Area Air Traffic Controller Automotive Mechanic Communications Watch Supervisor Electrician I General Services Chief, Asmara Internal Auditor Meteorology Forecaster Meteorology Instrument Technician Personnel Officer II Radio Technician I Secretary</p>
13 \$ 500 to \$ 700	<p>Administrative Officer, Dire Dawa Administrative Superintendent, Field Office Aerodrome Fire Officer Agrometeorology Officer Aerological Observatory Chief, Field Office Aeronautical Communications Chief, Field Office Air Traffic Control/Communications Officer - Headquarters Chief Aeronautical Information Services Chief Aeronautical Meteorology Officer, Field Office</p>

	<p>Chief Air Traffic Controller Climatology Officer Executive Secretary General Accountant Hydrometeorology Officer Licensing Officer Meteorology Network Officer Personnel Officer I Section Chief, Administrative Divisions Senior Air Traffic Control Officer Senior Radio Technician</p>
14 \$ 590 to \$ 826	<p>Airfield & Building Maintenance Supervisor Airworthiness Surveyor Chief Airman Personnel Licensing Section Chief, Office of Security Engineer Ground Services Supt., Field Office Inspection & Training Officer - Electronics Installation and Workshop Supervisor International Affairs Officer Legal Officer Meteorology Research Officer Meteorology Section Chiefs Safety Operations Officer Safety Regulations Officer Section Chiefs, Electrical & Electronics Branch, Field Office Senior Budget Analyst Statistics Officer</p>
15 \$ 690 to \$ 966	<p>Aerodrome Engineering Section Chief Aerodrome Services Division Chief Air Traffic Services Branch Chief, Field Office</p>

	<p>Airworthiness Section Chief Division Chief, Administrative Services Electrical & Electronics Branch Chief, Field Office Flight Operations Section Chief Manager, Dire Dawa Airport Meteorology Branch Chief, Field Office</p>
<p>16 \$ 790 to \$ 1106</p>	<p>Accident Investigator Aerodrome Engineering Division Chief Air Traffic Services Division Chief Asst. Head, Meteorology Dept. Climatology & Research Division Chief Deputy Manager, Field Office Electrical & Electronics Division Chief Flight Standards Division Chief Synoptic Meteorology Division Chief Technical Services Supt., Field Office</p>
<p>17 \$ 900 to \$ 1260</p>	<p>Asst. Manager Administrative Services Chief, Office of Safety Chief, Office of Technical Planning</p>
<p>18 \$ 1025 to \$ 1435</p>	<p>Controller Department Heads Head, Office of Plans and Policy Manager, Field Office</p>
<p>19 \$ 1155 to \$ 1617</p>	<p>Manager, Administrative Services</p>
<p>20 \$ 1300 to \$ 1820</p>	<p>Manager, Technical Services</p>

21 Sept. 1971

CIVIL AVIATION ADMINISTRATION
STATEMENT IN SUPPORT OF REQUEST
FOR DELEGATION
FROM CENTRAL PERSONNEL AGENCY
GENERAL

In connection with the Civil Aviation Re-establishment Order of 1971, the Civil Aviation Administration has been reorganized to perform as an autonomous public authority. An integral and important part of the reorganization is the creation of a Personnel Management Division, and the development of appropriate personnel procedures, salary scale and a position classification schedule. These three elements have been designed to provide a coordinated system of personnel management which will effectively meet the personnel requirements of CAA in its highly specialized and technical field of international civil aviation.

Development of the personnel management package was undertaken with the principle that current Central Personnel Agency regulations should represent the basis for CAA procedures. To the extent possible, these regulations were followed with some amendments and specifics which will make them more useful to CAA's Personnel Management aims. Some innovations, e.g., the incentive program, have been introduced which hopefully will have the effect of improving employee morale and performance.

In summary, the Personnel Management system of CAA includes the following items:

1. Uniform position descriptions for all positions.
2. A new salary scale, which includes provision for merit increments.
3. Position classification schedule, for all positions.
4. Procedures, as follows:
 - a) Recruitment, Selection and Placement
 - b) Salary
 - c) Position Classification
 - d) Personnel Evaluation
 - e) Discipline
 - f) Incentive Program
 - g) Promotions
 - h) Transfer
 - i) Resignation and Retirement
 - j) Attendance and Leave
 - k) Training

Included with this statement are copies of all the procedures listed above, with the exception of that for training, which has not yet been completed and which we believe is not essential to a delegation of authority

The first three items listed above were transmitted to CPA on June 3, 1971, together with copies of the CAA organization chart and a summary statement of function covering the major organizational limits.

To complete the package, there is included with the submission a complete analysis of the effects of the new salary scale and position classification on the employees of CAA, and upon the CAA budget.

THE PROPOSED SALARY SCALE

The statement accompanying the salary scale, transmitted on June 3, 1971 explains fully the rationale underlying its development. We will only repeat here that the scale, in effect, is roughly the average of salary scales used by IBTE, EELPA, IHA and EAL, and one proposed by CPA, but not yet adopted. The enclosed graph (Appendix A) shows clearly that CAA's scale is modest, and reasonable in relation to the others. Since the basic scale was transmitted to CPA, a refinement has been made to provide that only 50% of an increment be granted to an employee who is only marginally satisfactory. The procedure is spelled out in the Personnel Evaluation Procedures, included with this statement.

POSITION CLASSIFICATIONS

As pointed out in the statement which accompanied the proposed position classification schedule, the assignment of grades to the various positions is an extremely complex problem and the result is unlikely to satisfy everyone. A great deal of care was exercised in the current CAA classification operation. Again, to the extent possible, we drew upon the experience of similar agencies.

There is a great variety of technical positions in CAA, including civil engineering, scientific meteorology, radio and electronic communications, and highly specialized aviation technology, which requires, among other things, the control of air traffic, a knowledge of power plant maintenance, flight operations techniques and accident investigation capability. We believe this variety of technical requirements makes CAA a unique agency and presents classification problems which are not present in most other Ethiopian agencies.

Likewise, the administrative and economic responsibility of CAA to provide an effective communication service to the Empire is substantial and includes the unusual and intricate aspects of negotiating international bilateral agreements, the economic regulation of air carriers and the provision of adequate facilities together with necessary qualified personnel.

It is our belief that the classifications assigned to CAA personnel, on the basis of the salary scale proposed here are sufficiently competitive with other agencies to permit the retention of trained technicians and recruitment of new people, as the demands of the industry increase. On the other hand, the classifications are at a reasonable level, for we have not attempted to glorify the technical positions by assigning unduly high grades. Care was taken to insure appropriate lines of promotion, and compensation for the unusual qualifications which are required in CAA.

PERSONNEL PROCEDURES

For the most part, the personnel procedures are self-explanatory. We have attempted to follow, generally, the regulations of CPA. The salary and position classification procedures are largely philosophical and state CAA's policies in these areas. Every attempt has been made in the program to protect the employees' rights - in matters of personnel evaluation and discipline - by providing specific, and we believe adequate, appeals mechanism.

The personnel evaluation system is tied into the incentive award program. In other words, we have provided the means for a factual, written basis to determine whether the employee should receive a merit increase. We do not expect the personnel evaluation system to be very useful the first time it is employed, since

the concept is new in the agency. However, with experience and proper instructions to supervisors as to its use, it should become an extremely valuable managerial tool.

The incentive program will offer the employees an opportunity to increase their income by earning additional increments or by obtaining cash awards, if they meet the requirements. On the other hand, the discipline procedure provides for penalties which are quite specific for specific offenses. It is our conviction that an incentive program, coupled with a fair but firm disciplinary procedure will be of substantial assistance in maintaining a high level of morale in the agency.

The attendance and leave procedures proposed here incorporate several changes from the CPA regulations which we believe represent an improvement, and hence will provide more incentive to the employee, and in the case of sick leave, provide a more equitable arrangement.

1. Work Week

The proposed CAA attendance procedure proposes a five day, forty-hour work week, to replace the present arrangement of $5\frac{1}{2}$ days, for 39 hours. We feel strongly that such a plan will have the dual effect of lifting employee morale, by permitting them a full two days leisure time, and at the same time increase the productivity of the agency much more than just the additional one hour per week which the plan calls for. It has been the experience within CAA (and we believe the situation prevails government-wide) that Saturday morning is a "casual" work period, with time being spent on arrangements for personal activities over the brief week-end. The result is that production is low. It may be argued that the "let down" will simply be moved up to Friday afternoon, instead of Saturday morning. We are not aware that this has been the case where such a change has been made. In any event, new CAA disciplinary procedures will be in effect to deal with any offenses related to working hours.

We firmly believe that the proposed approach is an enlightened one and will be mutually beneficial to the employees and CAA. The proposed procedure provides for staff coverage on Saturday mornings to provide communication with agencies on a $5\frac{1}{2}$ day week, to the extent required. We urge that this proposal be approved.

2. Sick Leave

CAA here proposes the grant of twenty (20) days of sick leave annually to each employee, with the right to accumulate unused leave to a maximum of ninety (90) days. It is our view that the present CPA regulation unduly penalizes the conscientious worker, and permits those who are not so scrupulous to use sick leave without, in effect, paying for it.

Under the present system, it is possible for an employee to use 5 days of sick leave per year, and still receive the benefit of a month's sick leave (on a single illness) with full pay, and the second month with half pay. Also, the present system allows an employee, for example, to have a month's sick leave each year for five years, at full pay. Yet if an employee has taken no sick leave for five years and becomes ill for two months, he is entitled to only one month at full pay.

CAA's proposal is considerably more equitable, and provides an incentive to use sick leave prudently. By (1) giving a sick leave allowance of twenty (20) days annually, (2) charging all sick leave against that allowance, including the occasional single days of illness and (3) permitting an accumulation of

ninety (90) days, the employee will be faced with the loss of sick leave insurance if he uses it casually, and if he uses it prudently, can increase his full salary coverage to ninety (90) working days. We think the arrangement is more fair than the CPA regulation, and we urge that CAA be authorized to institute the procedures as proposed.

3. Maternity Leave

The present CPA regulation on maternity leave is confusing, but we believe the intent is to protect the position of the employee during the maternity period, to permit a reasonable period of recovery, and to utilize sick leave. (The CPA regulation uses the phrase "reckoning against sick leave entitlement").

Under the procedure proposed by CAA, the above principles would still be recognized. The proposed would permit a six weeks absence, with full pay, if the employee has the sick and/or annual leave to cover it.

It is our opinion that the proposed CAA procedure for maternity leave is much more clear than that of CPA and provide the coverage intended by CPA. We respectfully request approval of this arrangement.

Altogether, the personnel procedures will permit a personnel management program which should enable CAA to maintain the high standard of employee performance which is vital to the proper discharge of its responsibilities.

EFFECT OF NEW SALARY SCALE AND

POSITION CLASSIFICATION

General

The assignment of salaries to CAA employees was an intricate process. This was due in large measure to the situation which existed in the past, wherein no standard salary scale or standard increments were employed. Having developed a scale which included standard steps within each grade, and having determined the classification for a particular position, it was inevitable that there would be differences in the salary increases for the same position. While there may be temporary dissatisfaction because of this situation, it is the price which CAA must pay in order to establish a systematic salary program.

Prior to assigning individual salaries, the following two guidelines were employed:

1. First of all, to the extent practical, employees were placed at the beginning of the grade to which assigned, provided at least a \$10 increase resulted for employees currently earning \$50 or less, \$15 for employees earning from \$51 to \$100 and 10% for everyone else. If current salary was too high to use the base salary of the grade, the salary was fixed at the step in the grade which would meet these minimums.
2. The initial assignments were then reviewed to give some credit for seniority. This was done by adding an additional grade step, for those who had at least 10 years of service. Department Heads or above, and those who had an increase of \$150, were not included.

The salary adjustments, which resulted from the application of these guidelines is shown in Appendix B - a detailed listing of all assignments. A dis-

tribution of increases, related to the employees' present salary, and grouped by grade assigned, is given in Appendix C. Appendix D is a summary of the present and proposed positions and salary costs to CAA.

Generally, the figures in these Appendixes reflect the moderate nature of this major overhauling of the CAA position and salary structure. The increase amounts to 21%, and the average per employee is \$47.77 per month. When consideration is given to the fact that this is not simply a determination of an annual increment, but a complete structuring of the position arrangement, and that an agency-wide increment has not been available to CAA for two years, the increase is modest indeed.

The Increases

As can be seen in Appendix C, the increases, for the most part, follow the pattern which is to be expected in a rather uniform percentage increase, with smaller amounts accruing to the lower grades, and greater amounts to the higher grades. There are some unusual salary changes - large and small - which reflect unusual conditions, as follows:

1. Employees who have many years of service and have reached or exceeded the maximum of the grade to which assigned.
2. Employees in positions which have been grossly underclassified. The correct classification results in an unusual increase.
3. Employees moving from a trainee position to a classified position. In such cases the increase would be large.

The positions classified in Grade 13, which starts at \$500, and in higher grades, represent the area where salaries have been most depressed, when consideration is given to the assigned responsibilities. There are 78 persons in these levels, and 37 would receive increases in excess of \$100. The average increase for this entire group, however, is 22.7 percent which is substantially the same as the agency-wide average of 21 percent.

The salaries of ten meteorological observers would increase from \$150 to \$238 per month, or sixty (60) percent. This is due to the fact that they are newly graduated and in their probation period. They are now eligible for full Observer classification.

Also included in the position listed are six (6) assistant air traffic controller trainees, who are at present unsalaried, receiving only expense money. They will receive \$238 per month when training is completed.

Implementation of the Increases

It is recognized that the implementation of a program such as the one developed here may pose problems, from a budgetary view point and from the stand point that in the exceptional cases the increment may be considered excessive, if given in one step. To overcome this objection, we have planned to have those adjustments which may appear to be high implemented in two steps, exclusive of service increments to which the employee may be entitled. In a reorganization and restructuring it simply would not be good, nor fair, to require an employee to wait for more than two fiscal years to get him to his assigned classification. With this in mind, we have used the following basic formula, with some judgment for unusual cases, in insuring that the program would be implemented in two fiscal periods:

Persons with salaries of less than \$100 would receive the increments in one step.

Persons with salaries of \$100 - \$250 would receive increments of \$50 or less in one step. If more, in two steps.

Persons with salaries of \$250 - \$500 would receive increments of \$75 or less in one step. If more, in two steps.

Persons with salaries of more than \$500 would receive increments of \$100 or less in one step. If more, in two steps.

In those cases where the amount is marginally above the foregoing limits, or where the percentage increase of the first increment would be less than 10 percent, the entire increase is proposed for one step.

This procedure appears to be the fairest, to the individual and to CAA, from the view point of orderly implementation. We understand the concern of CPA in authorizing increments of more than \$75. However, we reiterate our opinion that the situations here should not be considered in the same manner as an annual increment would be considered. It is a restructuring and position classification adjustment which requires special consideration.

In Appendix E, we have listed those cases which we assume CPA would wish to examine, and trust that with the supporting explanation CPA can see its way clear to approve as requested.

Implementation of the program of increases, without considering the filling of vacancies, which will be discussed later, would be as follows:

Total Increase	\$ 32,392	
1963 Increments	26,924	83%
1964 Increments	5,468	17%

To minimize the financial burden on the government's budget until such time as CAA becomes self-sufficient (hopefully in three years time), we will not implement the annual service increments provided in the salary scale until the fourth year. Rather, two groups of employees will receive their first and second service increments on alternative years, with annual increments beginning from the fourth year. Thus, the implementation plan will look like this:

	<u>Group 1</u>	<u>Group 2</u>	<u>CAA Total</u>
1st year - salary adjustment	\$ 20,927	\$ 5,987	\$ 26,924
2nd year - salary adjustment	-	5,468	
1st service increment	-	2,009	
TOTAL 2nd Year		7,477	7,477
3rd year - 1st service increment	7,042	-	7,042
4th year - 2nd service increment	7,042	2,009	9,051
5th year - 3rd service increment	7,042	2,009	9,051
6th year - 4th service increment	7,042	2,009	9,051

NOTE:- Group 1 includes those who receive their entire salary adjustment

in one step.

Group 2 includes those who receive their salary adjustment in two steps.

Vacancies

The listing of positions in Appendix B includes 140 vacancies. These vacancies, if filled, would round out the organization which it is felt will most effectively serve the needs of reorganized and autonomous Civil Aviation Administration. However, the staffing plan will be implemented as funds become available, over the next several years. Priorities are now being established, and it is anticipated that only the most critically-needed positions will be filled in the current fiscal year, because of the unusual budget requirement to meet the salary adjustments outlined herein.

CONCLUSION

The Civil Aviation Administration, as an autonomous organization, has been designated to represent the Ethiopian government in a highly sensitive and technically complex international field. It has been reorganized, functionally, and new fiscal policies and systems are being established. To meet its statutory obligations effectively, it must be able to recruit, and keep qualified personnel.

We believe that the documents transmitted with this statement, and our analysis reflect a sound personnel policy with proper implementing procedures. It is a policy which, in our opinion, will result in attracting the required personnel, and maintain a high degree of employee morale, with provision for incentive stimulation, reward for proper performance and firm but fair disciplinary provisions. The salary level is competitive with similar agencies, but not excessive, and the careful evaluation of positions, as reflected in the classification schedule, is moderate.

In summary, we feel that the material here presented fully demonstrate that the personnel policies of the Civil Aviation Administration are consonant with policies of the Central Personnel Agency, and warrants the conduct of its personnel activities under a delegation of authority from the Central Personnel Agency. We urge that prompt action be taken to issue such delegation.

CIVIL AVIATION ADMINISTRATION
 PROPOSED SALARY SCALE

\$ PER MONTH

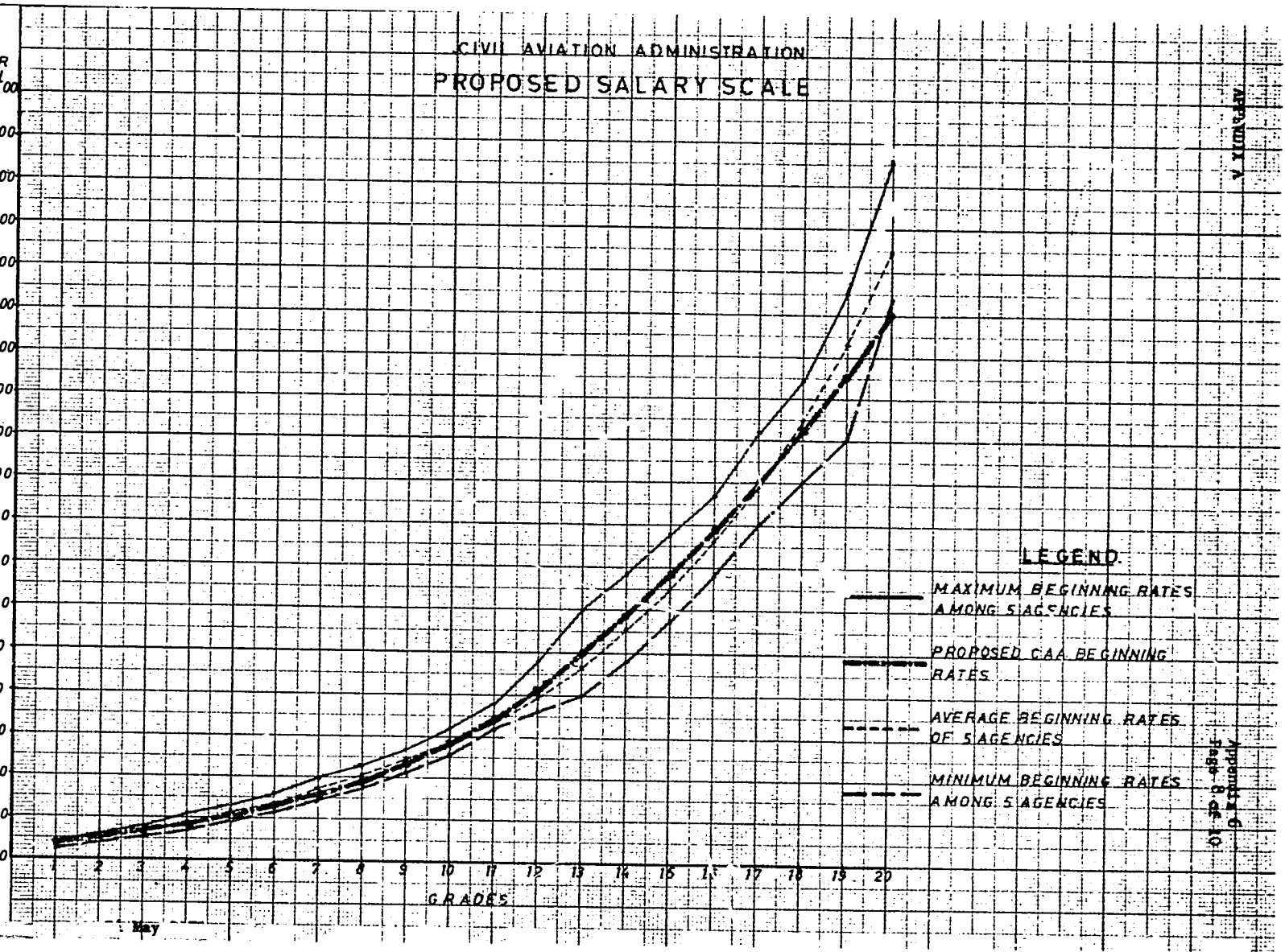
1800
 1700
 1600
 1500
 1400
 1300
 1200
 1100
 1000
 900
 800
 700
 600
 500
 400
 300
 200
 100
 0

GRADES

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20

LEGEND

- MAXIMUM BEGINNING RATES AMONG AGENCIES
- PROPOSED CAA BEGINNING RATES
- - - AVERAGE BEGINNING RATES OF AGENCIES
- - - MINIMUM BEGINNING RATES AMONG AGENCIES



JANUARY

Page 8 of 10
 O. K. Spaulding

CIVIL AVIATION ADMINISTRATION
ANALYSIS OF PROPOSED SALARY INCREASES

DOLLARS OF INCREASE PER MONTH

GRADE	0-9	10-14	15-19	20-24	25-34	35-49	50-74	75-99	100-124	125-149	150-199	200-OVER	TOTAL
1													
2		40	21	7	1								69
3			4	5	2								11
4	1 ^{a/}		61	13	13								88
5			1	3	1	1	1 ^{b/}						7
6				16	19	7	2						44
7				17	34	12	12	1					76
8					6	13		3	1 ^{b/}				23
9	12 ^{a/}	2 ^{a/}			59	23	15	15	2	1 ^{b/}			129
10					7	37	10	5	2				61
11						22	19	12	1	1			55
12						7	11	16	3	1			38
13							7	22	5	3	2		39
14							5	5	3	1	2		16
15								1	3		1	2	7
16								1		1	3	3	8
17										2		1	3
18												4	4
19													
20												1	1
TOTAL	13	42	87	61	142	122	82	81	20	10	8	11	679

a/ These persons have reached or exceeded the maximum of the grade to which assigned.

b/ Reflects a simultaneous promotion and position reclassification.

SUMMARY OF POSITIONS

Present:

No. of Positions	679 ^{1/}
Salary	\$ 152,208 ^{1/}

Proposed:

No. of Positions	818
Salary	\$ 224,612
Vacant Positions	140 ^{2/}
Salary	\$ 40,012 ^{2/}
Salary for Present Positions	\$ 184,600
Total Increase	\$ 32,392
Percent Increase	21%
Average Increase Per Person	\$ 47.77

-
- 1/ Excludes (A) Administrator and Deputy Administrator, who are not in scale. (\$2300)
(B) Six (6) persons in trainee capacity (unsalaried).
(C) Twenty two (22) individuals unassigned, who may be transferred, retired or declared redundant. (\$4709)

- 2/ Includes six (6) positions earmarked for trainees. (\$1428)

1 Nov. 1971

FOREWORD

This Handbook has been designed to be a basic reference document governing the organization and operation of the Civil Aviation Administration. It is divided into three volumes as follows:

- Volume I - Organization
- Volume II - Administrative Procedures
- Volume III - Operating Guidelines

Volume II is in two parts. Part 1 contains Personnel Management Procedures, and Part 2 includes other administrative procedures.

The manuals have been arranged in loose leaf form, with a numbering system to simplify the making of amendments. Each page bears the section number and a date in the upper left hand corner. As changes are made, the new date will be inserted, and thus enable the user to know when changes have been made.

8 July 71

TABLE OF CONTENTS

VOLUME I

ORGANIZATION

	<u>PAGE NO.</u>
100.0 POLICIES AND PHILOSOPHY	
100.1 Nature of the Civil Aviation Administration	POL - 1
100.2 Statutory Basis	1
100.3 Purposes	7
100.4 Policies	7
200.0 ORGANIZATION AND FUNCTIONS	
200.1 General Plan of Organization	ORG - 1
200.2 Spheres of Responsibility	1
200.3 Summary of Functions	2
201.0 CIVIL AVIATION BOARD	
201.1 Membership	CAB - 1
201.2 Powers of the Board	1
201.3 Delegation of Power	1
202.0 OFFICE OF THE ADMINISTRATOR	
202.01 Mission	ADM - 1
202.02 Functions	1
202.03 Authority	1
202.04 Special Delegation	1
202.05 Special Relations	1
203.0 OFFICE OF PLANS AND POLICY	
203.01 Mission	PAP - 1
203.02 Functions	1
203.03 Special Delegation	4
203.04 Special Relations	4
204.0 OFFICE OF CONTROLLER	
204.01 Mission	CON - 1
204.02 Functions	1
204.03 Special Relations	2

8 July 71

	<u>PAGE NO.</u>
205.0 MANAGER, TECHNICAL SERVICES	
205.01 Mission	MTS - 1
205.02 Functions	1
205.03 Special Delegation	1
205.04 Special Relations	1
206.0 OFFICE OF SAFETY	
206.01 Mission	SFT - 1
206.02 Functions	1
206.03 Special Relations	1
207.0 OFFICE OF TECHNICAL PLANNING	
207.01 Mission	OTP - 1
207.02 Functions	1
207.03 Special Delegation	1
207.04 Special Relations	2
208.0 OPERATIONS DEPARTMENT	
208.01 Mission	OPS - 1
208.02 Functions	1
208.03 Special Delegation	1
208.04 Special Relations	1
208.10 Aerodrome Services Division	2
208.20 Air Traffic Services Division	4
208.30 Flight Standards Division	6
209.0 METEOROLOGY DEPARTMENT	
209.01 Mission	MET - 1
209.02 Functions	1
209.03 Special Relations	1
209.10 Synoptic Division	3
209.20 Climatology and Research Division	5
210.0 FACILITIES AND ENGINEERING DEPARTMENT	
210.01 Mission	FAE - 1
210.02 Functions	1
210.03 Special Delegation	1
210.04 Special Relations	1
210.10 Electrical and Electronics Engineering Division	3
210.20 Aerodrome Engineering Division	5

8 July 71

	<u>PAGE NO.</u>
211.0 MANAGER, ADMINISTRATIVE SERVICES	
211.01 Mission	MAD - 1
211.02 Functions	1
211.03 Special Delegation	1
211.04 Special Relations	1
212.0 RESERVED	
212.01 - 09 Reserved	
212.10 Personnel Management Division	MAD - 3
212.20 Accounting Division	5
212.30 Procurement & Supply Division	6
213.0 OFFICE OF SECURITY	
213.01 Mission	SEC - 1
213.02 Functions	1
213.03 Special Relations	1
213.0 - 219.0 RESERVED	
220.0 FIELD OFFICES	
220.01 Mission	FLD - 1
220.02 Functions	1
220.03 Special Delegation	1
220.04 Special Relations	1

TABLE OF CONTENTS

VOLUME II

ADMINISTRATIVE PROCEDURES

Part 2

320.0	FINANCIAL MANAGEMENT
320.1	Accounting
320.2	Auditing
320.3	Billing and Collection of Revenues
320.4	Budgeting
320.5	Rental Contracts
330.0	PROCUREMENT AND SUPPLY
340.0	INVENTORY CONTROL
350.0	RESERVED
360.0	OFFICIAL TRAVEL
370.0	RESEVED
380.0	ADMINISTRATIVE SERVICES
380.1	Records Management
380.2	Correspondence Control
380.3	Reproduction Services
380.4	Management Information Program
380.5	Local Transport

TABLE OF CONTENTS
VOLUME III
OPERATING GUIDELINES

1000.0 ORGANIZATION AND ADMINISTRATION

- 1000.01 Delegations of Authority
- 1000.02 Field-Headquarters Relationships
- 1000.03 Horizontal Staff Relationships
- 1000.04 Relationship between Aerodrome Services Division
and Aerodrome Engineering Division
- 1000.05 - 99 Reserved

1100.0 ADMINISTRATIVE - GENERAL

- 1100.01 Publishing Procedures and Guidelines or Amend-
ments
- 1100.02 Public Information Releases
- 1100.03 Annual Report Preparation
- 1100.04 - 99 Reserved

1110.0 FINANCIAL MANAGEMENT

- 1110.01 - 99 Reserved

1111.0 ACCOUNTING

- 1111.01 - 99 Reserved

1112.0 AUDITING

- 1112.01 - 99 Reserved

1113.0 BUDGETING

- 1113.01 - 99 Reserved

1114.0 FEES AND CHARGES

- 1114.01 Establishment of Fees and Charges
- 1114.02 - 99 Reserved

1120.0 PERSONNEL MANAGEMENT

- 1120.01 Absences from the Office
- 1120.02 - 99 Reserved

1130.0 PROPERTY MANAGEMENT

- 1130.01 Disposal of Surplus Stock or Equipment
- 1130.02 - 99 Reserved

2000.0 FIELD OFFICES - GENERAL

- 2000.01 - 99 Reserved

- 2100.0 FIELD-HEADQUARTERS COORDINATION
 - 2100.01 Formal and Informal Communications
 - 2100.02 Visits to Field Offices by Technical Personnel
 - 2100.03 Coordination of Travel by Bole Technicians with Headquarters
 - 2100.04 - 99 Reserved
- 2200.0 INSTRUCTIONS TO FIELD OFFICES
 - 2200.01 Field Office Expenditures
 - 2200.02 Investigation of Alleged Air Traffic Violations
 - 2200.03 Requests for Technical Information
 - 2200.04 - 99 Reserved
- 2300.0 AIRPORT MATTERS
 - 2300.01 Maintenance of Outstation Structures
 - 2300.02 - 99 Reserved
- 3000.0 TECHNICAL MANAGEMENT - GENERAL
 - 3000.01 Validation of Requirements for the Modification, Improvement or Expansion of the Aerodromes and Airways Systems
 - 3000.02 - 99 Reserved
- 3100.0 AIR TRAFFIC
 - 3100.01 AIS Information - Collection and Dissemination within CAA
 - 3100.02 - 99 Reserved
- 3200.0 COMMUNICATIONS
 - 3200.01 Maintenance and Use of Automatic Telecommunications Logs (Tape Recordings)
 - 3200.02 Reserved
- 3300.0 ENGINEERING
 - 3300.01 - 99 Reserved
- 3400.0 METEOROLOGY
 - 3400.01 - 99 Reserved
- 4000.0 SAFETY - GENERAL
 - 4000.01 - 99 Reserved
- 4100.0 ACCIDENT INVESTIGATION
 - 4100.01 - 99 Reserved
- 4200.0 FLIGHT STANDARDS
 - 4200.01 - 99 Reserved

4300.0 AIRWORTHINESS

4300.01 - 99 -Reserved

4400.0 PERSONNEL LICENSING

4400.01 - 99 Reserved

5000.0 LEGAL - GENERAL

5000.01 - 99 Reserved

6000.0 PLANNING - GENERAL

6000.01 Channeling Planning Information

6000.02 Policy Committee

6000.03 - 99 Reserved

7000.0 SECURITY

7000.01 - 99 Reserved

310.15
8 July 71

310.15 TRANSFERS

310.151 PRINCIPLE

Permanent employees of the Administration are public servants, and as such shall be obliged to accept permanent or temporary assignments at any place within the Empire, and to accept transfers from one assignment to another at the same place or at another place in the Empire. Transfers shall be made after careful consideration as to the need for the CAA's activities and as to the effect on the interests of the employee. At no time shall a transfer be made which creates a surplus of employees. The initial assignment of trainees graduates or newly recruited employees shall not be considered as a transfer, regardless of the assignment.

310.152 CONDITIONS FOR TRANSFER

- A. Transfers may be effected by the Administration for one or more of the following reasons:
 - 1. More efficient use of employees.
 - 2. To avoid new recruitment.
 - 3. To relieve employees from climatic and other hardships in certain areas, after having served there continuously for 2 - 3 years.
 - 4. Occupational rotation after 5 - 8 years of service at the same post.
 - 5. Other administrative reasons.
- B. Transfers may be made by the Administration upon request of an employee for the following reasons:
 - 1. Health difficulties - substantiated by a certificate from a doctor designated by the Administration.
 - 2. Other substantiated personal reason of great importance to the employee, provided that it is acceptable to the Administration.

310.153 NATURE OF TRANSFER

A. TEMPORARY

A transfer shall be considered as temporary when the assignment of duty to a specific position at the same or another place lasts for a maximum period of six (6) months, unless an approval is obtained from the Administrator, or his designee for this purpose, for a further maximum period of three (3) months.

B. PERMANENT

A transfer shall be considered as permanent when the assignment of duty to a specific position at the same or another place extends beyond six (6) months, without interruption, unless an extension of three (3) months is obtained, as outlined in 310.153A above.

310.15
8 July 71

310.154 PROCEDURE FOR TRANSFER

- A. When a transfer is proposed, in accordance with 310.152 A or B above, the office or field location proposing the transfer of an employee, should first discuss the matter with the appropriate headquarters division. Thereafter, the other office or field location affected should be consulted and agreement reached on the date and duration of the transfer. It is essential that all units involved in any transfer be consulted prior to a final decision or transfer. For example, if an air traffic controller is being considered for transfer from Dire-Dawa to Bole Airport, the Chief, Air Traffic Services Division should be consulted first and thereafter the Addis Ababa Field Office Manager. The other offices involved in this transaction would be the Airport Manager at Dire Dawa and the "General" Field Office Manager. Agreement is reached and the transfer is made.
- B. If there is no agreement, the matter shall be referred to the Manager, Technical Services, or Manager, Administrative Services or both, depending on the area of activity, who shall make the final decision. The employee's immediate supervisor shall be notified of the impending transfer as soon as possible.
- C. If the request for transfer is initiated by the employee, and the reasons for the request are acceptable to the Administration, the appropriate headquarters division and field office manager shall explore possibilities for making the transfer. Transfers shall not be arranged privately by the employees.
- D. The employee is notified in writing of his transfer by the head of the office from which he will be transferred. The letter shall be given to the employee not less than ten (10) days before the date of transfer, if temporary, and not less than thirty (30) days, if permanent. It shall state the reasons for the transfer, the date, the allowances to be given and whether the transfer is temporary or permanent. The duration of the assignment shall be indicated.
- E. Two copies of the notification document shall be forwarded to the Personnel Management Division, which will make the necessary adjustments to payroll records, notify the Accounting Division (as specified in the Accounting Procedures) and place a copy of the letter in the employee's file.
- F. If the employee objects to the transfer, he may express his objection in writing to the Manager, Technical Services or Manager, Administrative Services, depending on the area of activity, stating the reasons for his objection. If the reasons are sufficient, the decision to transfer may be reconsidered. If not sufficient, the decision shall stand as final.
- G. Transfer of the heads of organizational units, at a level of Section Chief or above, shall be approved and ordered by the Administrator.

310.155 COSTS OF TRANSFER

- A. For a transfer initiated by the Administration, or by the employee and approved in accordance with Section 310.152 B.1. above, and including a change of duty station, the costs of transfer shall be borne by the Administration, whether the transfer is permanent or temporary.
- B. If the transfer is initiated by the employee and approved under Section 310.152 B.2 above, the Administration shall bear the cost of transport for the employee. Cost of transporting dependents and personal effects shall be borne by the employee.
- C. Costs to be borne by the Administration for a temporary transfer shall be as follows:
 1. Cost of transport for the employee only.
 2. Cost of transporting essential personal effects, up to a maximum of 100 kgs.
 3. Allowances as follows:
 - a. For the first month, the regular per diem allowance as specified in the Travel Regulations.
 - b. Beginning from the first day of the second month until the end of the temporary assignment, per diem amounting to 30% of the total monthly salary shall be paid.
 - c. For Assab and Massawa desert allowance as specified in the Travel Regulations shall be paid for the first per diem month. Beginning from the first day of the second month until the last day of assignment, 50% of the total salary shall be paid.
- D. Costs to be borne for a permanent transfer shall be as follows:
 1. Cost of transport by plane for the employee. Cost of transport by plane for dependents who are registered in the employee's CAA personnel file, provided that a 50% discount is available. If not, the cost of the next best available means of transport shall be paid. Dependents include the employee's wife and children below the age of 18 years who normally are resident with and wholly or mainly supported by their parents. Children between 18 and 21 years, who may be attending full-time education, may be considered dependents if circumstances justify this.
 2. Cost of transporting personal effects, to the extent of quantities listed below:

<u>Salary Grade</u>	<u>Size of Family (In number of Persons)</u>			
	<u>1</u>	<u>2 - 3</u>	<u>4 - 5</u>	<u>6 & Above</u>
1 - 7	300 kg	500 kg	600 kg	700 kg
8 - 15	500 kg	900 kg	1100 kg	1200 kg
16 - 20	1000 kg	2000 kg	2500 kg	3000 kg

The maximum amount due to the employee, calculated from the weight allowance listed above times the current official rate per quintal for the distance to be travelled, shall be paid to the employee prior to the transfer date. The employee shall make the necessary arrangements for transportation of his personal effects.

3. Allowance for travel time. The per diem specified in the Travel Regulations shall apply.
 4. Cost of relocating at the new place of assignment. To cover expenses expected to be incurred in connection with temporary lodging, environmental adjustment, inadequate knowledge of market situation, etc. - one month's per diem as specified in the Travel Regulations. However, if government housing is available, an allowance equivalent to fifteen (15) days per diem shall apply.
- E. In all cases, the travel route and means of transport shall be chosen so as to keep the total transfer costs to the Administration at a minimum.
- F. Cost allowances outlined in 310.155 D shall be paid on the basis of a Transfer Allowance Payment Voucher, Appendix 1. The voucher must be reviewed by the Department or Office Head from which the employee is being transferred. Payment shall be authorized by the Manager, Administrative Services, Manager, Technical Services or the Airport Manager.

TRANSFER ALLOWANCE PAYMENT VOUCHER

Name of Employee _____ Date Transfer _____
Effective _____

Transferring from _____ to _____
Office Location

On a Permanent basis.
Temporary

Allowances to be Paid in Connection with the Transfer

Transportation of Employee	\$ _____
Transportation of _____ Dependents	\$ _____
Personal Effects _____ kgs, Rate _____	\$ _____
Relocation Costs	\$ _____
Per Diem (for Temporary Transfers)	\$ _____
Other	\$ _____
TOTAL ALLOWANCE	\$ _____

Reviewed by _____

Approved for Payment _____

Payment Received _____

Signature of Transferee

340.0
1 Oct. 71

340.0 INVENTORY CONTROL

340.01 GENERAL

- A. The identification and control of property, equipment and supplies owned by or consigned to the CAA represents a major aspect of the agency's control system, because of the substantial value of these items. It is, therefore, an urgent requirement that adequate records be maintained and a system developed for monitoring the program. These procedures specify the actions to be taken in order to meet this objective.

340.02 IDENTIFICATION OF CAA PROPERTY AND EQUIPMENT

- A. Initially it is necessary that all existing non-consumable items of property and equipment under CAA's ownership or control be identified. Accordingly an inventory shall be taken and identification numbers shall be applied to each portable or movable item.
1. A listing shall be prepared for each office. It shall contain a description of each item, the assigned CAA property number, date of acquisition and cost. These reports shall be maintained by the Chief, Purchasing and Property Section.
- B. As new portable or movable items are acquired, numbers shall be assigned and the items added to the appropriate listing. This action shall be taken as soon as the property or equipment is delivered. It shall be the responsibility of the Chief, Purchasing and Property Section to make the necessary arrangements within his section to ensure that he is notified when an item is delivered.
- C. If an item is transferred from one location to another, the appropriate changes are made on the listings of the offices concerned. It shall be the responsibility of the person in charge of the office from which the item is transferred to notify the Purchasing and Property Section of such change. Otherwise his office may continue to be charged with the item.
- D. When any item is sold, scrapped or otherwise disposed of, a notation shall be made on the listing, showing the date and reason for the disposal of the property.

340.03 INVENTORY OF PROPERTY AND EQUIPMENT

- A. At least once annually, the inventory records maintained by the Purchasing and Property Section shall be checked against the property and equipment.
1. This is done by scheduling the various offices for inventory throughout the period of one year, or by taking a complete inventory simultaneously at all locations.
 2. Although the inventory shall be carried out by the Purchasing and Property Section, such inventory action shall be subject to audit.

3. Any inventory differences shall be reported in writing to the Chief, Procurement and Supply Division, setting forth all available facts. Since all items have been established as part of the assets of CAA, losses shall be reported to the Controller, who shall determine what action is required. The Controller shall notify the Accounting Division if the item is to be written off, as part of the inventory report submitted at the end of the fiscal year. (See 340.06 A)

340.04 IDENTIFICATION OF SUPPLIES

- A. Supplies of spare parts, stationery, cleaning materials and other consumable items, until they are used, are as much a part of the assets of CAA as property and equipment items. It is, therefore, essential that supplies be identified and continuing control over this inventory be established. Accordingly, an initial inventory shall be taken, stock record cards prepared and values determined, as detailed in the Procurement and Supply Procedures.

340.05 INVENTORY OF SUPPLIES

- A. In order to verify the accuracy of the CAA inventory records and to establish asset values, a physical inventory of supplies shall be taken at the close of each fiscal year. Interim spot-check physical inventories may be taken periodically, if deemed necessary for control purposes; however, the annual inventory at year end is required for validating financial statements which include asset values.
- B. It shall be the responsibility of the Auditor, with assistance from a stores clerk, to take the annual inventory of supplies. The supplies shall include bulk stores of stationery, office supplies, etc., except those in current use, spare parts and components, drums and tanks of fluids, which may be counted by reference gauges where appropriate, and barrels, bags and cartons of dry bulk supplies. These may be counted by weight, excluding a tare for the container.
 1. An inventory sheet similar to that in Appendix 1 shall be used, giving a description of the items, identifying numbers if any, the location and other information.
 2. The result of physical count shall be compared with the stock record (ledger or card). If the count agrees with the record, an appropriate entry shall be made on inventory work sheet.
 3. If there is difference between the physical count and the stock record, they shall be noted on a separate form, similar to Appendix 2.

340.06 INVENTORY REPORTS

- A. An inventory report shall be provided to the Accounting Division, in the form of an inter-office memorandum.
 1. This report, which shall be prepared by the Auditor and routed through the Controller, shall contain sufficient information

to provide a basis for journal entries adjusting the perpetual inventory and fixed asset records in accordance with the physical count.

2. The report shall cover the physical count for supplies as described in 340.05 B and shall also cover any adjustments required as a result of the physical inventory of property and equipment as detailed in 340.03 A 3 of these procedures.
- B. It shall be the responsibility of the Auditor to submit recommendations to the Controller concerning shortages, record maintenance or procedural problems encountered in the inventory process. The Controller shall take such action as may be necessary to ensure that inventory control is maintained at a satisfactory level.

CIVIL AVIATION ADMINISTRATION
SPECIMEN INVENTORY WORK SHEET

Item	Count	Identification	Location	Other
55 gal. XYZ cleaning fluid full	10	None	Maintenance Stores	
Heavy duty vacuum cleaner	1	SER. 146329	Maintenance Stores	
Transmitter Microphone, spare	3	Part No.41826	Main Terminal Stores	Similar to others installed on units

CIVIL AVIATION ADMINISTRATION

INVENTORY CONTROL

DIFFERENCE BETWEEN PHYSICAL COUNT AND STOCK RECORDS

Description and Identifying Numbers	Stock Record	Count	Difference
30 amp. fuse GE Type X 4	135	130	-5

1100.02 PUBLIC INFORMATION RELEASES

1100.021 INTRODUCTION

- A. The development of satisfactory relations with the public, and the task of educating the public on what CAA's functions and accomplishments may be, depends on the frequency and quality of public information releases by the CAA.
- B. Therefore, all offices of the CAA - in Headquarters and in the Field - are encouraged to consider for publication any item which may be newsworthy, and which will enhance the CAA in the eyes of the public - from the standpoint of the type of work CAA does, or its achievements.
- C. Newsworthy items may include, but are not limited to the following: CAA employees going overseas for training, completion of training classes, the installation of new equipment (such as the VOR), attendance at overseas conferences, major improvements in airports, increases in users fees, employee recognition, arrival of unusual aircraft, comparative activity statistics, and many other items.

1100.022 POLICY

- A. As a matter of policy, all official news items concerning the CAA shall be released through the Office of Plans and Policy, which is charged with the responsibility for handling public information. This is important in order to ensure that all items attributed to CAA are consistent with established policies of CAA.
- B. There is no objection to CAA officials giving information to the press, provided that comments are limited to the precise area of jurisdiction of the official, and the information carries with it no policy implications. Generally, however, inquiries should be referred to the Office of Plans and Policy for handling. Where appropriate the name of the CAA official shall be included in the release.

1100.023 PROCEDURE FOR RELEASING INFORMATION

- A. When an office has an item which it considers newsworthy, it shall prepare a memorandum to the Head, Office of Plans and Policy, setting forth facts pertaining to the item.
- B. The Office of Plans and Policy shall review the items for consistency with CAA policy. If there is no policy inconsistency, Plans and Policy shall prepare an official press release on the subject. As deemed necessary, the Head, Office of Plans and Policy shall refer news items to the Administrator for clearance prior to issuing the press release.
- C. It shall be the responsibility of the Office of Plans and Policy to disseminate the press release to appropriate news media.

Order No. 69 of 1971
An Order to Provide for the
Re-establishment of the Civil Aviation Administration

CONQUERING LION OF THE TRIBE OF JUDAH
HAILE SELASSIE I
ELECT OF GOD, EMPEROR OF ETHIOPIA

WHEREAS, We had created the Civil Aviation Administration by Order No. 25 of 1962, as an independent administration for the technical administration and economic regulation of civil aviation; and

WHEREAS, in light of recent developments in civil aviation, We deem it necessary that its autonomy be comprehensive;

NOW, THEREFORE, in accordance with Article 27 of Our Revised Constitution, and on the advice of Our Council of Ministers, We hereby Order as follows:

1. Short Title

This Order may be cited as the "Civil Aviation Re-establishment Order, 1971".

2. Re-establishment of the Civil Aviation Administration

The Civil Aviation Administration created by Order No. 25 of 1962 is hereby replaced and succeeded by an autonomous public authority known as the Civil Aviation Administration (hereinafter the "Administration").

3. Principal Office of the Administration

The Administration shall have its principal office in Addis Ababa and may establish branch offices.

4. Purposes

The purposes of the Administration shall be:

1. to promote an efficient and economic air transport system;
2. to ensure the highest degree of safety in air transport;
3. to facilitate regular air transportation;
4. to develop national and international air transport networks and construct aerodromes; and
5. generally, to promote the development of all aspects of civil aviation.

5. Powers and Duties

The Administration shall, in accordance with the law, have all powers necessary for the attainment of its purposes. Without limiting the generality of the foregoing, the Administration shall have the power to:

1. enter into contract;
2. buy, sell, own, lease and hire movable and immovable property as its activities require;

3. sue and be sued in its own name;
4. establish and enforce civil aviation policies and programs;
5. establish such administrative organization as is necessary and conducive to the proper execution and administration of all civil aviation policies and programs;
6. represent the Government in all matters relating to civil aviation;
7. represent the Government in negotiating loans for civil aviation purposes and
8. discharge such additional functions as may be vested in it by law.

The Board

1. The Board shall consist of the following five (5) members;
 - a. Our Minister of Communications, Telecommunications and Posts (hereinafter the "Minister"); Chairman;
 - b. three (3) members to be appointed by Us; and
 - c. the Administrator
2. All powers of the Authority provided herein and in other laws shall be vested in the Board.
3. The Board may delegate its power to one or more of its members or to the Administrator.
4. The Board shall determine its own rules of procedure.
5. The quorum for any meeting of the Board shall be a majority of its members.

The Administrator

1. The Administrator shall be appointed by Us on the recommendation of the Board.
2. He shall be the chief executive of the Administration and shall, subject to the supervision and direction of the Board, be responsible for the proper administration and operation of the activities of the Administration.
3. Without limiting the generality of the foregoing, the Administrator shall in particular:
 - a. prepare and submit to the Board detailed proposals for the annual budget of the Authority;
 - b. employ, promote, transfer, and discharge all personnel, and fix their salaries and allowances in conformity with the directives of the Board, made in accordance with the Public Service laws;
 - c. effect all expenditures in accordance with the approved annual budget and the work programs of the Administration;
 - d. submit to the Board audited quarterly financial and operational reports stating the incomes and expenditures effected, the technical and operational results accomplished;
 - e. perform such other functions as are assigned to him by the Board.
4. The Administrator may delegate part of his functions and powers to employees of the Administration to the extent necessary for the efficient management of the business of the Administration; provided that the person who acts on behalf of the Administrator in his absence shall be subject to prior approval by the Board.

9. Fund
1. There shall be established a fund consisting of:
 - a. all fees collected by the Administration and all proceeds obtained from sales of property;
 - b. any other money received by the Administration for the purpose of carrying out its activities; and
 - c. an annual Government subsidy based on an estimate prepared by the Administrator and approved by the Board which shall be included as a separate sub-head under the Ministry of Communications in the annual budget of the Government.
 2. The fund established herein shall be lodged in the National Bank of Ethiopia or in a bank designated by it in a separate account in the name of the Administration which shall be responsible for its expenditure to give effect to the purposes of the Administration in accordance with an annual budget pursuant to the law.
10. Budget
1. The budget of the Administration shall be framed in two parts: one dealing with ordinary expenditure and the other with capital expenditure.
 2. The Board may, in accordance with the law, establish such reserves as may be necessary to meet unforeseen expenses.
 3. The fiscal year of the Administration shall begin on the first day of Hamle and end on the 30th day of Sene of the following year.
11. Accounts and Annual Reports
- The Administration shall keep full and accurate accounts of its expenditures and revenues and shall within three (3) months after the expiration of each fiscal year render a statement of expenditures and revenues to Our Minister of Finance.
12. Auditors
1. The books of account and all the financial affairs of the Administration shall be audited annually by duly qualified auditors appointed by the Board.
 2. The accounts and all records relating to the financial affairs of the Administration shall at all times be open to auditing by the Auditor General.
13. Transfer of Rights and Obligations
- All rights and obligations regarding civil aviation matters heretofore held by any Ministry or Administrative Department are hereby transferred to the Administration.
14. Repeal
- The Civil Aviation Order, No. 25 of 1962 is hereby repealed.
15. Power to Issue Regulations
- The Minister may, on the recommendation of the Board, issue such regula-

tions as are necessary for the fulfillment of this Order.

16. Effective Date

This Order shall enter into force on the date of its publication in the Negarit Gazeta.

Done at Addis Ababa, this 5th day of March, 1971.

TSEHAFE TAEZAZ AKLILU HABTE WOLD
Prime Minister and Minister of Pen

CIVIL AVIATION ADMINISTRATION
ESTIMATE OF OPERATING RESULTS
FISCAL YEARS 1972, 1973, 1974

	<u>Yr. Ended</u> <u>July 7, 1972</u>	<u>Yr. Ended</u> <u>July 7, 1973</u>	<u>Yr. Ended</u> <u>July 7, 1974</u>
<u>Revenue</u>			
Landing Fees	\$ 1,398,000	\$ 1,798,000	\$ 1,798,000
Navigation Fees	999,000	1,686,900	1,686,900
Embarkation Fees	188,000	300,000	315,000
Aircraft Parking Fees	35,000	49,000	49,000
Rentals & Concessions	178,600	238,600	288,600
Miscellaneous Sales & Services	3,600	3,600	3,600
Headquarters Revenue	26,000	50,000	50,000
Subsidy	655,394	- -	- -
TOTAL	\$ 3,483,594	\$ 4,126,100	\$ 4,191,100
<u>Expenses</u>			
Personnel Services	2,261,620	2,684,700	2,874,700
Transportation & Communications	137,000	143,000	150,000
Information	5,500	6,000	6,000
Professional & Other Services	22,054	22,000	22,000
Rentals	4,900	5,000	5,000
Purchased Repairs & Maintenance	351,900	351,900	351,900
Materials & Supplies	597,120	600,000	600,000
Grants	71,300	75,000	75,000
Other	32,200	35,000	35,000
TOTAL	\$ 3,483,594	\$ 3,922,600	\$ 4,119,600
Surplus or (Deficit)	- -	203,500	71,500

Notes:-

Computation of Revenues for 1973 and 1974 assumes:

- (1) Increase in passenger embarkation fee from \$3 to \$5.
- (2) Increase in navigational fee rate of 14% beginning with 1973.
- (3) Payment of navigational fees by EAL both years (\$450,000 per annum).
- (4) Payments by USAF of current charges both years.
- (5) Doubling of headquarters fees beginning with 1973.
- (6) Increase in rental and concessions resulting from renegotiation of contracts.
- (7) No increase in flights or passengers.

Computation of Expenses assumes:

- (1) Implementation of salary adjustments \$323,000 for 1973, \$90,000 for 1974.
- (2) Allowance for filling vacant positions \$100,000 each year.
- (3) 5% increase in Transportation & Communication expense.
- (4) Other expenses approximately constant.