



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

Office Of The Assistant Secretary

2 March 1999

MEMORANDUM FOR AF/IL

FROM: Assistant Secretary of the Air Force (Manpower, Reserve Affairs, Installations and Environment)

SUBJECT: Housing Privatization Interim Operating Instructions

In accordance with DoDD 1330.9, *Armed Services Exchange Regulation*, DoDD 1330.17, *Armed Services Commissary Store Regulations*, DoDI 1015.1, *Establishment, Management, and Control of Nonappropriated Fund Instrumentalities*, and DoDD 1015.2, *Military Morale, Welfare, and Recreation (MWR)*, AAFES, DeCA, and Services have the exclusive right to provide resale merchandise, services, and recreational operations or activities on DoD installations. To the greatest extent practicable, it is the Air Force's intent to extend this exclusivity to Air Force property leased, conveyed or otherwise transferred to a commercial developer. To do otherwise would act to finance Air Force housing at the expense of the airmen's non-pay benefits.

The following interim operating instructions are effective immediately and apply to all housing privatization studies and ventures, including those currently under consideration or out for solicitation:

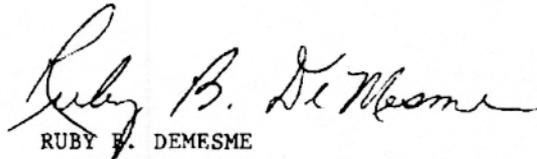
a. Developers will be precluded from providing resale merchandise, services and commercial recreational operations or activities as part of their housing privatization projects. Developers may include playground equipment, playing courts, bike paths, and similar self-directed amenities that are customarily included in military family housing areas and available for occupant use at no cost.

b. Land may be retained by the Air Force for use by AAFES, DeCA, and Services where they currently provide resale merchandise, services, and recreational operations or activities and desire to continue those operations or where they choose to provide these services and they are not currently provided. These organizations will be given first right of refusal to continue such use.

c. AF/IL will develop official Air Force policy and procedures that require appropriate coordination with AAFES, DeCA, and MWR Air Force board members during the housing privatization approval process.

d. Exceptions to this policy must be approved by SECAF.

These interim operating instructions apply to all resale merchandise, services, and recreational activities which AAFES, DeCA, or Services currently provide or may be authorized to provide in the future.

A handwritten signature in cursive script, reading "Ruby B. Demesme".

RUBY B. DEMESME
Assistant Secretary of the Air Force
(Manpower, Reserve Affairs,
Installations and Environment)