



DEPARTMENT OF THE AIR FORCE  
WASHINGTON, DC

Office of the Assistant Secretary

24 February 1997

MEMORANDUM FOR UNDER SECRETARY OF DEFENSE (ACQUISITION &  
TECHNOLOGY)

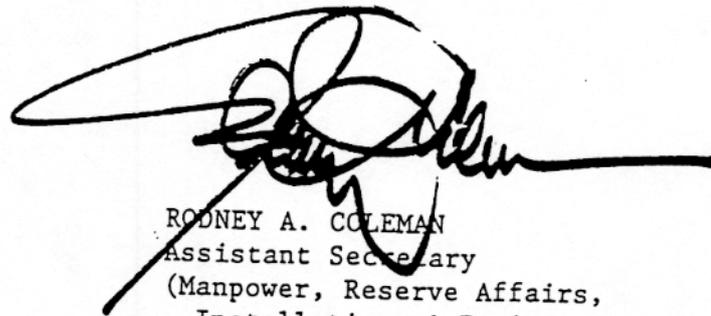
FROM: ASSISTANT SECRETARY OF THE AIR FORCE (MANPOWER, RESERVE AFFAIRS,  
INSTALLATIONS & ENVIRONMENT)

SUBJECT: Applicability of Public/Private Venture Initiatives to BRAC Projects

Program Budget Decision (PBD) 380, dated 11 December 1996, directed the Air Force to report to your office on the applicability of public/private venture (privatization) initiatives to base realignment and closure (BRAC) projects. Our report follows.

In our opinion, detailed in the attachment, privatization authorities are not applicable at or near a military installation approved for closure under a base closure law. But applicability does extend to locations receiving missions or people as a result of a base closure law if those receiving locations are not near a closure installation. This would certainly mean that privatization can be considered as an acquisition strategy at Travis Air Force Base, a contention of PBD 380. However, I caution most strenuously that analyses pursuant to a facility acquisition strategy can be very complex. Because privatization may not always be appropriate, budget decisions must not be allowed to predispose project viability.

As this Air Force opinion is somewhat at variance with guidance from your Housing Revitalization Support Office (HRSO), we request concurrence with our interpretation. On the other hand, we are in full agreement that a legislative revision is needed to permit the transfer of BRAC appropriations to the Family Housing Improvement Fund and encourage HRSO's continued strong leadership of that effort. These are exceptionally important issues, because if applied to their full potential, privatization can be a major player in our mutual objective of maintaining readiness as we modernize for the future.



RODNEY A. COLEMAN  
Assistant Secretary  
(Manpower, Reserve Affairs,  
Installations & Environment)

Attachment:  
SAF/GCA Memo, 22 Jan 97

/GC  
SAF/FM  
AF/XP  
AF/LE