



DEPARTMENT OF THE AIR FORCE
WASHINGTON DC

15 SEP 2003

Office of the Assistant Secretary

MEMORANDUM FOR DEPUTY UNDER SECRETARY OF DEFENSE (INSTALLATIONS
AND ENVIRONMENT)

FROM: SAF/IEI
1665 Air Force Pentagon
Washington DC 20330-1665

SUBJECT: Exemption of Air Force Water Systems - Water Rights

The purpose of this memo is to inform you of the Air Force policy to exempt water systems from utilities privatization when the privatization action will affect Air Force water rights. In no case will the Air Force abandon, relinquish, forfeit, or otherwise prejudice its water rights in conjunction with a utilities privatization deal with any prospective offeror.

Air Force installations should only privatize their water systems when they can do so without relinquishing or transferring water rights as a condition of privatization. Water rights must be considered in the privatization evaluation and economic analysis for a water system, from both the economic and security perspectives. However, if privatization of the water system will cause the Air Force to abandon or forfeit said water rights, we will consider the privatization evaluation to be complete. We will submit a statement of exemption from utilities privatization for national security reasons.

The Air Force point of contact for this policy is Mr. Ken Miller, (703) 604-4304, ken.miller@pentagon.af.mil or Maj Andra Clapsaddle, (703) 604-4512, andra.clapsaddle@pentagon.af.mil.

FRED W. KUHN
Deputy Assistant Secretary of the Air Force
(Installations)

cc:
AF/ILE
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