

UNIVERSITY OF CALIFORNIA, IRVINE

BERKELEY · DAVIS · IRVINE · LOS ANGELES · MERCED · RIVERSIDE · SAN DIEGO · SAN FRANCISCO



SANTA BARBARA · SANTA CRUZ

JOHN L. GRAHAM
PROFESSOR EMERITUS OF INTERNATIONAL BUSINESS
phone: (949) 824-8468
fax: (949) 725-2831

THE PAUL MERAGE SCHOOL OF BUSINESS
IRVINE, CALIFORNIA 92697-3125
e-mail: jgraham@uci.edu

August 10, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama,

I first wrote about building a new international airport at the south end of Camp Pendleton in 2000 in the *Los Angeles Times* and then in the *Orange County Register*. My commentary sparked a lively debate carried in the pages of the *Register* with General Edward Hanlon, Jr., then commander of the Marine Corps base at Camp Pendleton, and retired General Art Bloomer, former commander of the MCAS El Toro. Please see the attached documents. The debate ended with the September 11th terrorist attacks on New York and Washington, DC.

Much has changed in the decade since. For example, Orange County, CA voters soundly rejected a proposed new airport at the shuttered El Toro Marine Base. However, three events of the last two years have completely refocused the calculus of the Pendleton proposal in a most positive way: (1) Your designation of international trade as a key pathway out of the recession; (2) the immediate importance of job creation via infrastructure development (including more runways); and most recently, (3) Secretary of Defense Gates' comments about the obsolescence of beach landings as a military tactic (as reported in the *Los Angeles Times* by Tony Perry, June 21, 2010).

The arguments in favor of adding air travel capacity in Southern California have always been strong. International trade brings Southern Californians (and all Americans) unparalleled prosperity and peace. Moreover, the main things we export these days are our ideas and our services – the people-to-people marketing of both require excellent airport facilities. But, the current gateway to our trade, LAX, is now beginning to resemble a bad Three Stooges routine – Moe, Larry, and Curley all trying to walk through the same door at the same time.

Matters of practicality and social justice preclude expanding LAX, John Wayne, and Lindbergh Field. Dick Murphy, a former mayor of San Diego laid out a still viable plan some ten years ago: "The Camp Pendleton idea is to operate what I would call Southern California International Airport on a piece of Camp Pendleton. Now, we're not talking about shutting down Camp Pendleton ... But the new airport could be a joint venture with Orange County. Orange County has the same problems with John Wayne Airport that we have [with Lindbergh Field]. I would envision that airport being primarily an international-transcontinental airport

like Dulles. So, basically, anybody out of San Diego County or Orange County or Riverside County who wanted to fly overseas or to Washington DC could fly out of that airport.”

Competitors around the world such as Amsterdam/Schiphol, Osaka/Kansai, London/Heathrow, and even San Francisco all have fast trains running from their major cities to their respective airports. At Pendleton the rail line is already there. And let’s not forget that one rail line can carry the same traffic as fifteen lanes of freeway.

In fact, if done right, all the employment contracts for the construction crews and services providers would include train passes – the electricians, dozer drivers, carpenters, clerks, cooks, controllers, mechanics, and pilots would also have easy commutes from Orange and San Diego counties. Camp Pendleton Marine spouses might also find excellent employment opportunities at an adjacent major international airport. And the thousands of services personnel soon leaving the military might be employed in the construction of the airport at a propitious time.

The Marines won’t give up the space? That’s what was said about El Toro. I’ve worked with Marines before. In the 1970s my Navy unit supported practice amphibious landings along the 15 miles of Camp Pendleton coastline. However, beach landings (the best argument against a joint-use airport there) haven’t been used since the Korean War. Consistent with Secretary Gates’ comments, the Marines simply don’t need all those big beaches anymore.

Indeed, perhaps more relevant in the years to come will be securing or assaulting airports in foreign lands. Pendleton International might provide that unique training venue on occasion. Perhaps Pendleton International might be closed to civilian use on the last day of each month and made available for military training exercises? There are all kinds of joint-use possibilities if we think and negotiate creatively.

The decision about dedicating part of Camp Pendleton as an international commercial airport is ultimately a choice between defense infrastructure and trade infrastructure. I am confident that you and our Congressional representatives understand that the highest value use of *a few* of the fifteen miles of California coast comprising Camp Pendleton is a new international trade gateway. We will all be better served by landing 747s there than Marines.

Sincerely,



PHILIP R. CATEORA | MARY C. GILLY | JOHN L. GRAHAM

INTERNATIONAL
MARKETING

FIFTEENTH EDITION





DEPARTMENT OF THE NAVY

THE ASSISTANT SECRETARY OF THE NAVY
(ENERGY, INSTALLATIONS & ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

Professor John L. Graham
The Paul Merage School of Business
University of California
Irvine, CA 92697-3125

SEP 15 2010

Dear Professor Graham:

Thank you for your letter of August 10, 2010, to Secretary Gates regarding the construction of an airport on Marine Corps Base (MCB), Camp Pendleton, California. I am responding on behalf of Secretary Gates.

The Marine Corps does not support construction and operation of an international/transcontinental airport on MCB Camp Pendleton property. The reasons a civilian airport located anywhere aboard MCB Camp Pendleton would be incompatible with the Marine Corps' mission are as compelling, if not more so, than they were when you first made this proposal in 2001. Amphibious landings continue to be an integral part of Marine Corps operations and MCB Camp Pendleton is the premier amphibious training installation on the west coast of the United States.

The 1st Marine Expeditionary Force (I-MEF) and its subordinate units are the primary combat units based at MCB Camp Pendleton. Those units conduct daily training activities aboard MCB Camp Pendleton, including live-fire operations involving amphibious landings, ground movement, artillery, mortars, tanks, tactical aircraft, and laser systems. The presence of a commercial airport on the base would divide training areas, restrict access to airspace, and adversely reduce opportunities for I-MEF units to conduct realistic training. Of particular note, the numerous military training activities conducted aboard MCB Camp Pendleton are supported by the presence of Special Use Airspace (SUA). The SUA was established by the Federal Aviation Administration to protect civilian aircraft from the hazards associated with the many live-fire training activities occurring daily on MCB Camp Pendleton, and is incompatible with civilian air traffic.

Much has changed at MCB Camp Pendleton since your original proposal in 2001. The base has grown significantly in personnel, facilities, and infrastructure. MCB Camp Pendleton has expanded its training capacity and significantly increased the amount of training conducted on the base to support ongoing combat operations in Operation Enduring Freedom and Operation Iraqi Freedom.

Again, thank you for your letter. I appreciate you taking the time to share your ideas on this topic.

Sincerely,

A handwritten signature in black ink, appearing to read "Pfannenstiel". The signature is written in a cursive, flowing style with a large initial letter.

Jackalyne Pfannenstiel

UNIVERSITY OF CALIFORNIA, IRVINE

BERKELEY · DAVIS · IRVINE · LOS ANGELES · MERCED · RIVERSIDE · SAN DIEGO · SAN FRANCISCO



SANTA BARBARA · SANTA CRUZ

JOHN L. GRAHAM
PROFESSOR EMERITUS OF INTERNATIONAL BUSINESS
phone: (949) 824-8468
fax: (949) 725-2831

THE PAUL MERAGE SCHOOL OF BUSINESS
IRVINE, CALIFORNIA 92697-3125
e-mail: jgraham@uci.edu

October 10, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama,

Ms. Jackalyne Pfannenstiel, your Assistant Secretary of the Navy, kindly responded (“...on behalf of Secretary Gates”) to my earlier letter recommending the building of a new international airport at the southern end of Camp Pendleton. I have enclosed a version of my original letter to you and her response for your information.

Not surprisingly Secretary Pfannenstiel writes that the Marine Corps does not support construction of a new international airport on “...MCB Camp Pendleton property.” She goes on to explain in some detail the reasons why the Marine Corps must retain the entire base.

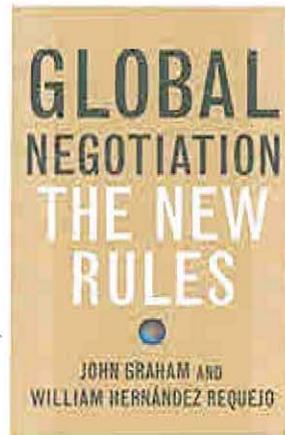
However, her analysis omits any information about the *economic opportunity* costs of retaining the entire 15 miles of California coastline for military purposes. I have briefly discussed some of these opportunity costs in my previous correspondence and writing on this topic. I suppose I cannot fault the Department of the Navy and/or the Department of Defense for this omission. But, as a taxpayer, I think it completely appropriate for you and the Departments of Defense and Commerce to consider the broader issues of the potential tradeoffs between defense infrastructure and trade infrastructure associated with such a project.

By the way, what Secretary Pfannenstiel refers to as Marine Corps’ “property” is actually property of the American people under Congress’ and your stewardship. And please notice that the proposed new international airport would only use a small percentage of that property, perhaps 5%. I am not suggesting that the entire 15-mile base be closed and the billions of dollars of prime coastal real estate be converted to civilian use. Nor am I

suggesting that the Marine Corps is itself obsolete, as did President Truman's Secretary of Defense, Louis A. Johnson in the late 1940s.

What I am recommending is an unbiased study be conducted that considers the overall benefits to the American people of using a small part of Camp Pendleton for a new international airport. Ignoring the opportunity costs of the current use of the land is unreasonable particularly in light of the federal government's deficit spending and the associated ongoing and future burdens on the American taxpayer.

Sincerely,



cc:
Secretary Gates
Secretary Locke
Secretary Mabus
Assistant Secretary Pfannenstiel
Members of the President's Export Council



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

OCT 13 2010

Mr. John L. Graham
Professor Emeritus
The Paul Merage School of Business
University of California, Irvine
Irvine, CA 92697

Dear Professor Graham:

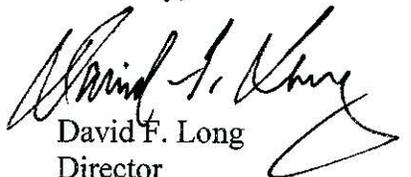
Thank you for your letter of August 10 to Secretary of Commerce Gary Locke describing your proposal for an airport on the Camp Pendleton Marine Corps base. Although the Department of Commerce does have an interest in the economic development that accompanies airports, the Federal Aviation Administration (FAA) has jurisdiction for the planning and development of commercial airports in the United States.

The FAA's Los Angeles Airports District Office may be able to help you with your proposal. They can be reached through the following point of contact:

Mr. Ruben Cabalbag, Acting Manager
Los Angeles Airports District Office
Federal Aviation Administration
15000 Aviation Boulevard
Lawndale, CA 90260
Telephone (310) 725-3621

I would encourage you to work with the FAA, the State of California, and the Department of Defense as you pursue your proposal.

Sincerely,


David F. Long
Director
Office of Service Industries



UNIVERSITY OF CALIFORNIA, IRVINE

BERKELEY · DAVIS · IRVINE · LOS ANGELES · MERCED · RIVERSIDE · SAN DIEGO · SAN FRANCISCO



SANTA BARBARA · SANTA CRUZ

JOHN L. GRAHAM
PROFESSOR EMERITUS OF INTERNATIONAL BUSINESS
phone: (949) 824-8468
fax: (949) 725-2831

THE PAUL MERAGE SCHOOL OF BUSINESS
IRVINE, CALIFORNIA 92697-3125
e-mail: jgraham@uci.edu

December 10, 2010

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear President Obama,

I very much appreciate the quick response from David Long in Secretary Locke's Commerce Department offices (see a copy enclosed). And I will certainly send along these materials to the FAA. I have already sent similar materials to the Department of Defense, the governor, and the pertinent Congressional delegates from California.

However, in one sense Director Long's response is troubling. It passes the buck on an issue that should be of growing concern to the Commerce Department. This response represents some of the worst aspects of government bureaucracy – the silos of responsibility and the easy "it's not my job" syndrome. I trust that you will take responsibility for the big picture view on this cross-departmental issue and order an unbiased study of the best use (for the American people) of the described small portion of Camp Pendleton required for a new international airport. Please see www.PendletonX.org for all past correspondence on this issue.

Sincerely,

A handwritten signature in blue ink, appearing to be "J. Graham".

cc:
Secretary Gates
Secretary Locke
Director David Long
Secretary Mabus
Governor-elect Jerry Brown
J. Randolph Babbitt and Ruben Cabalbag, FAA
Members of the President's Export Council