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Small-business owner champions aerospace

He fears state losing industry without a fight

By Julie Rees
Staff writer

LONG BEACH — It's still something of an unlikely role for Ron Cedillos.

The former long-board surfer from Torrance, black-belt karate instructor and martial arts movie actor has cast himself as point man for California's struggling aerospace and defense industry.

"I'm just an average guy," says Cedillos, president of Cedillos Testing Inc., a small business in North Long Beach that tests aircraft and missile components for such aerospace titans as Douglas Aircraft Co., Northrop Corp. and Rockwell International Corp.

But this 41-year-old, self-described "average guy," who joined the industry 11 years ago through a leveraged buyout, sees trouble for California as a whole.

So he's prodding the government while trying to galvanize broad-based support to save this industry, one that accounts for more than 8 percent of the state's employment base and 6 percent of its tax base.

Cedillos' plan is threefold:

- **Alert California's elected officials** to the snowballing loss of direct aerospace and defense jobs caused by market slumps and an employer exodus to states with lower business and living costs and more accommodating environmental regulations.

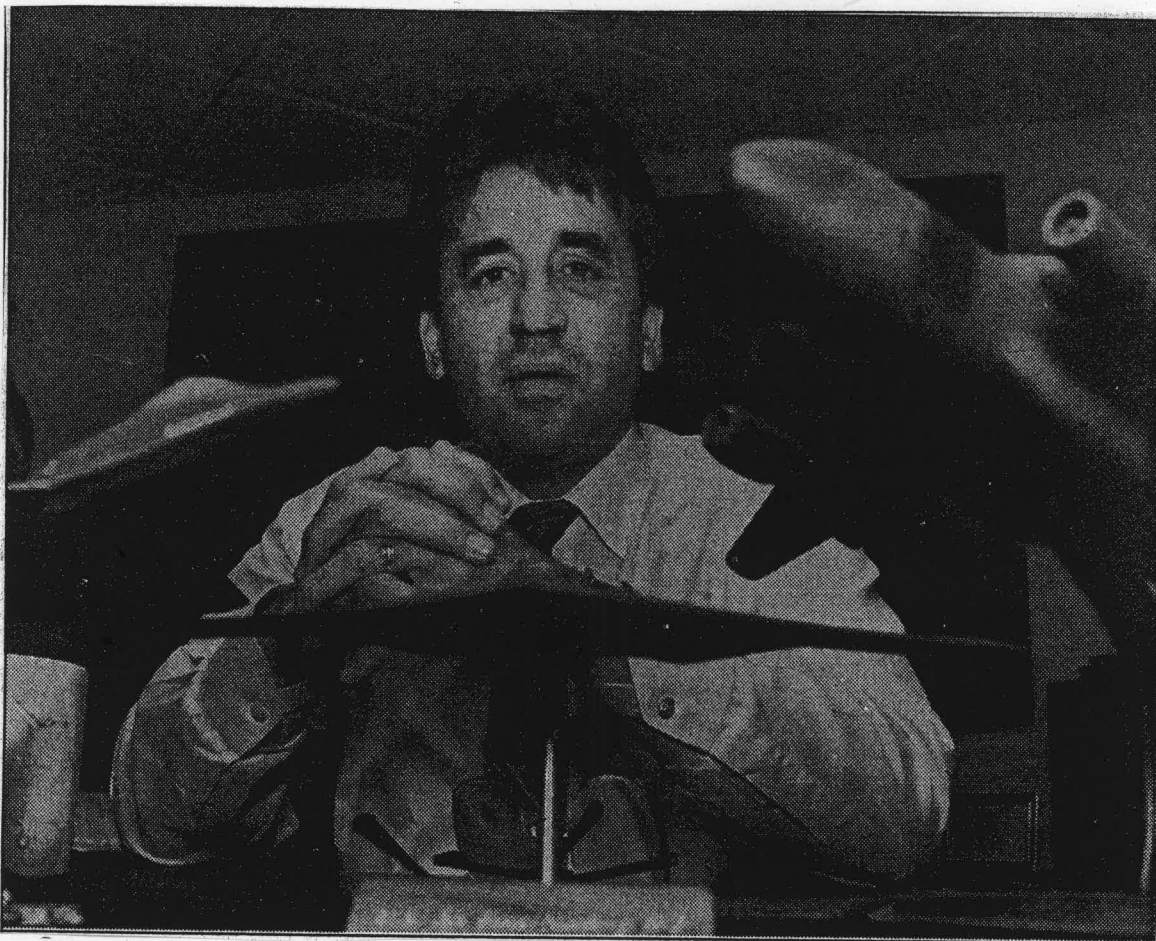
- **Help average workers in California** make the connection between their own continued employment and that of the state's remaining aerospace workers.

- **Prod voters to hold the state's elected officials** accountable for the survival of California's aerospace and defense industry.

Cedillos, who was a finance chairman for Pete Wilson's successful gubernatorial campaign, has helped coordinate a May luncheon meeting between Wilson and about a dozen aerospace industry leaders.

Three weeks ago, Cedillos helped stage a press conference at which he and other business leaders called on elected officials, social service agencies and labor organizations to publicly commit to support the aerospace and defense industry by signing a two-page pledge to form and participate in a non-partisan coalition known as "Californians for Aerospace Leadership."

And he's heading a group of community and business leaders who plan to take out full-page



Ron Cedillos, president of Cedillos Testing Co. in North Long Beach, is trying to rally business and government behind California's threatened aerospace industry.

Press-Telegram photo / Tom Shaw

Ron Cedillos

■ **Title:** President, Cedillos Testing Inc.

■ **Family:** Married, with three children

■ **Rule of life:** "Private sector leadership is a responsibility held to us all."

■ **Civic involvement:** Boy Scouts of America, Volunteers of America, Hugh O'Brien Youth Foundation, California State University/Long Beach Board of Governors, Pepperdine University Board.

ads in newspapers throughout the state to publish voting records of elected officials on industry-related issues.

An energetic but private man, with a seemingly contradictory compulsion for public advocacy, Cedillos says the time for action is now, before it's too late.

"After the closure of the General Motors plant (in Van Nuys), we are virtually out of the auto business," Cedillos says. "Now we see tens of thousands of aerospace jobs moving out of state and being eliminated by market forces. It is just a matter of time before what happened to the auto industry will happen to the aerospace industry."

Rooting through his files,

Cedillos backs his alarm with statistics from a recently completed study of the health of the state's aerospace and defense industry:

- **Since 1986, California** has lost 60,000 aerospace and defense jobs, according to the study, funded by the Los Angeles Area Chamber of Commerce and conducted by McKinsey & Co.

- **Those losses triggered** the additional loss of 90,000 other jobs at related subcontractors and service providers.

- **Projections call for more** of the same over the next five years.

The statistics, Cedillos says, should frighten all Californians.

"I have spent the past 10 years working very hard in a wide variety of organizations to address problems of homelessness, meals on wheels, and inner-city boys clubs," he says. "Without economic prosperity, we compound these social problems."

California's economic prosperity, he says slowly, as if to enhance the clarity of his message, is tied to the state's aerospace and defense industry.

The McKinsey study identifies "invisible" employment associated with the aerospace and defense industry. It includes service providers such as accountants and lawyers, non-manufacturing suppliers such as transportation lines, and dependent trades and services such as retailers and real estate professionals. Adding this "invisible"

work force to the industry figure shows California had 1.2 to 1.4 million aerospace- and defense-related jobs in 1990.

The root of the problem for the industry — and for the state — is a decline in Defense Department spending, says Cedillos. "And rightfully so. It is good for our country and the world. But how this state treats this reduced business is the critical issue."

"I'm not suggesting that we attempt to pork barrel defense projects for California," he says. But neither should California turn its back on military programs based in the state, especially given the mandate of the congressional budget summit conference that "money that is allocated for defense spending must, by law, be spent on defense programs," Cedillos says.

Defense spending only

For example, if a congressional faction succeeds in reducing money allocated for Northrop's controversial B-2 bomber, "that money is not going to go to building bridges, or reducing the deficit," he says. "It will get spent on unwanted defense programs in another state."

As Cedillos views them, California's federal legislators have turned their backs and gained a richly deserved reputation for not presenting a cohesive front in support of California-based defense projects.

"Our representatives are not collectively supporting the B-2.

I'm not a B-2 spokesman. But the B-2 represents somewhere between 31,000 (and) 41,000 direct jobs. With a ripple effect of 4 to 1, it has a \$22.5 billion economic impact on the state."

Leaning across his massive dark wood desk to make his point, Cedillos takes aim at California's federal legislators. "The inherent clout of their collective abilities to affect this process is enormous if they collectively move on an issue," he says. "We've been known in Washington, D.C., for being continually fractious."

Regulation maze

Cedillos also chides California's state legislators for their part in allowing California to become an inhospitable home for aerospace and defense contractors.

State environmental regulations are "quite often conflicting, redundant, cumbersome, and certainly time-consuming and costly," he says.

Even at his small, 60-employee company, Cedillos says that "we spend thousands of hours filling out forms and maintaining compliance."

Shifting suddenly in his chair, Cedillos points to photos of his two daughters and one son. "The most important thing in my life are my little babies. I don't want them breathing poor quality air. I don't know of any responsible businessman who does not want better-quality air and water. But if you could sit in the president's seat of any company and see the unfair, autocratic, conflicting application of the regulations... you get this feeling that you are barely hanging in there."

Streamlining the compliance process and balancing the state's competing environmental and economic needs are obvious fixes, Cedillos says. It is equally obvious, he says, who has the responsibility for implementing those fixes: California's state legislators.

Cedillos also calls for action by the industry's leaders.

"The aerospace industry could learn to participate in the government process to a greater extent than they have in the past," he says.

"The climate has changed. We are no longer in the Reagan defense go-go years. We now have a quickly changing marketplace that requires a different level of participation by business than in the past, by the fellows that run these (big, prime-contract) companies."

In all of this, Cedillos says, his self-appointed role is as a catalyst for focusing attention on the industry's ills and holding legislators, industry leaders and voters accountable for its recovery.