

Los Angeles Times

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Wilson to Meet With Leaders of Aerospace Firms

■ **Economy:** A little-known subcontractor from Long Beach has played spark plug for the unusual session on why operations are leaving the state.

By RALPH VARTABEDIAN
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When the titans of California aerospace sit down with Gov. Pete Wilson today to discuss why they are pulling their plants and jobs out of California, they will be joined by a subcontractor many of them have never met.

Along with such industry leaders as Lockheed Chairman Dan Tellep and Northrop Chairman Kent Kresa will be Cedillos Testing Co. President Ron Cedillos. Although Cedillos is not a big player in the industry, he has established close ties with Wilson and a number of other political figures.

Cedillos said he first approached Wilson about focusing on the issue of the aerospace flight from California on the night of Wilson's inaugural. Shortly after, Cedillos had a lengthy meeting with Wilson and laid out the argument that the flight of aerospace out of California posed a serious economic threat to the state.

Today's Sacramento summit grew out of that meeting. The governor will meet with a group that will include the top executives of virtually every major aerospace firm in the state—Rockwell International, Hughes Aircraft, Northrop, Lockheed, Douglas Aircraft, Litton Industries, Allied-Signal Aerospace, Aerojet, TRW and Teledyne, among others, according to a list provided to The Times.

Each firm entering the meeting will have an agenda for seeking state action to ease regulatory burdens, create direct economic incentives for future investments and obtain greater political support from both state leaders and the California congressional delegation. The meeting will be structured around briefing papers that outline the concerns of each firm, prepared by Carl D. Covitz, California secretary of business, transportation, and housing.

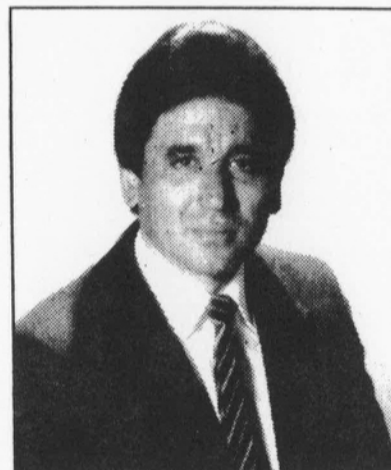
Wilson, who served on the Senate Armed Services Committee during his tenure in the U.S. Senate, has been more receptive to these pleas than his predecessor, former Gov. George Deukmejian. A number of aerospace leaders say that Deukmejian gave little more than polite lip service to their concerns about the negative business climate in the state.

Although Hughes Aircraft executives were saying as early as 1985 that they would never build another major plant in California, little was done to even examine the issue.

Indeed, during the 1980s, more than 18,000 aerospace jobs left the state for other regions of the country, part of a larger loss of 60,000 jobs that evaporated as the defense business went bust.

By 1990, the state did not even have a formal economic development plan for aerospace, the largest industry in the state, while smaller states such as Utah had well-developed plans for raiding California.

California, which now has 1.4 million jobs tied directly and indi-



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—
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rectly to aerospace, is at a crossroads that will determine whether it remains the world leader in the technology, according to a recent study by the consulting firm McKinsey & Co.

By wide agreement, there are two key aspects to the aerospace exodus: economic and political. What Cedillos and many others want from today's meeting is not a study or a commission, but direct action.

If Cedillos had his way, some members of the California congressional delegation would probably be the recipient of a sharp political karate kick. Cedillos is a former professional karate expert who starred with actor Bruce Norris in the martial arts film "Breaker Breaker."

A significant Republican fundraiser and a major supporter of Wilson, Cedillos' office at his Long Beach testing laboratory is adorned with photos of him with presidents Bush, Reagan, Ford and Nixon. In late 1990, Vice President Dan Quayle visited the testing laboratory.

To Cedillos, a major weakness of the aerospace industry is its inability to use its own political clout in California. What he would like, he said in a recent interview, is to hold members of the California delegation accountable for their support or opposition to the economic interests of the industry.

"Just as we have a concern for the endangered spotted owl, we should have a concern for an endangered industry," he said. "We could have a formal commission oversee this effort, but I thought that would undermine the effort. A group of businessmen can accomplish goals faster."

Cedillos is what is commonly referred to as a second- or third-tier subcontractor, a firm that provides services to other subcontractors. Such business people seldom, if ever, rise up to the public spotlight. Cedillos said he has taken on the task because "nobody else was doing it."