

Buried in a plain wrap concrete tilt-up in the north Long Beach industrial district lies Cedillos Testing Company. It doesn't look like much. But the modest quarters belie the huge profits the company has harvested under the tutelage of its owner, Ronald L. Cedillos.

As a parts testing subcontractor for the nation's heavyweight aerospace manufacturers, Cedillos Testing Company has spent the past 10 years gorging on the fat defense budgets of the Reagan Administration.

The bullets and bombs boon has done more than sweeten Cedillos' checking account. It helped propel him into the stratosphere of political influence and conferred upon him unusual access to the thrones and boardrooms of the nation's richest corporations. And his meteoric rise has many observers scratching their heads at the improbability of it all.

At 41, Cedillos is a scion of surfing's sanguine era. He was steering long boards through the Redondo Beach surf about the time Robert August and Mike Henson were defining the surfing culture in "The Endless Summer." The former owner of a karate school in Torrance, Cedillos is a black belt. In his early 20s, he sparred with Chuck Norris and appeared in the karate guru's 1977 film, "Breaker,

THE SKY'S THE LIMIT

Breaker."

These days he chats on the phone with his buddy, Dan Quayle, when not visiting with Ted Koppel on "Nightline."

As one of the most influential political fundraisers in the nation, Cedillos is a key adviser and confidante to Gov. Pete Wilson. Just last year he paraded his knack for galvanizing action when he emerged as a kind of messiah for California's troubled aerospace industry. In May, he coaxed the usually swaggering CEOs of the aerospace giants to meet with Wilson at a Sacramento summit intended to stem the industry's exodus from California. Observers who watch such things called it a bold move by a third-tier subcontractor.

Cedillos' bravura loaded his name into the Beltway rumor mill as a possible candidate to replace Robert A. Mosbacher, President Bush's commerce secretary. Bush eventually named Washington consultant Barbara Franklin to fill Mosbacher's post. Still, that he was even rumored to be under consideration branded Cedillos as a big player in national politics—galaxies apart from the sands of Redondo.

Political pundits and inner circle observers are marvelling that the one-time
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From beach bum to black belt to movie actor to entrepreneur, Ron Cedillos always dove in head first. Now a superstar political fundraiser, this GOP powerbroker, who owns open lines to the Governor's mansion and the White House, is spearheading the aerospace industry's efforts to make California a more hospitable place to do business.

By Byron DeArakal

Photos by Spencer Grant



CEDILLOS

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surf bum, a virtual unknown just four years ago, commands such attention from the powers that be. At times Cedillos himself is baffled by his rocket ride into the upper echelons of political power. "The way I think of it is, geez, look at what this karate guy, surfer from Redondo Beach has gotten away with and nobody knows it," he says.

Self-effacement excluded, what has boosted Cedillos from the "who society" to the heavy-hitters roster is an uncanny acumen for solving problems by dissolving partisanship and shelving competitive tensions among politicians and business leaders. Couple that with his facility for raising big dollars for the Republican Party and it's clear why Cedillos—a "B-liner," who bulldozes without detour toward those objectives he believes in—has been able to circumvent the traditional rites of passage into the political arena.

"Everything I've ever done in politics, in business, in charity and academia, [I've done] because I'm willing to work harder than probably anybody," says Cedillos, offering an unadorned assessment of his rapid rise. "I'd like to tell you that I'm brilliant, that I have gray matter that would astound you. Unfortunately, that's not true."

You believe him, maybe.

There's enough savvy, calculation and a little of that "vision thing" about Cedillos that one gets the feeling he understands that you don't bake a cake without eggs. Directionless following a few fruitless ventures at movie production, the Huntington Beach resident turned 29 with a love for public policy, a nagging fear of "becoming a 40-year-old karate expert," and a financial interest in a small aerospace testing company where he had parked a few paychecks from his thespian dabbings and the karate school.

So he bought out his partners and formed Cedillos Testing Company—not because of his voracious love for the aerospace industry, in which he admits he hadn't much interest. Rather, he saw it as the fiat that would provide the financial clout he needed to run on the inside track of public policymaking. "This company served as an annuity to allow me the freedom to do whatever I choose," he says.

That Cedillos Testing vaulted from a blip to, by some estimates, a \$100 million company wasn't all Cedillos' doing. The company reaped huge benefits under the Reagan Administration's defense policy that sought to spend the Soviet Union into economic ruin and thus end the Cold War. Nevertheless, Cedillos' implacable drive was a primary gear in the machinery that set the stage for his entre into big league power brokering.

"Ron's energy is almost infectious in that everyone he seems to come into contact with comes away with a feeling of optimism because of his can-do spirit," offers Franz Wisner, spokesman for Gov. Wilson. "No challenge is too big for him. I think that through his dedication and his energy he's able to accomplish a lot of feats that others write off as lost causes."

It's that aggressive, workhorse style

that won plaudits from top-brass executives. Among them George Moody, former president of Security Pacific Bank, who asked Cedillos to sit on the prestigious Los Angeles area council of the Boy Scouts where his work opened a floodgate of invitations to join a host of other boards and committees. Among them, Parker Automotive Corp. and the California State University Board of Trustees. Not bad for an ex-C actor in B movies.

Cedillos' determined nature has pushed him to become a master at cobbling together an influential network of business professionals that he, in 1988, tapped into in an astonishing fund raising blitz for Wilson's U.S. senate bid. He duplicated the feat more than once, prov-

club included a lot of aerospace giants who shunned political schmoozing because "during the Reagan go-go years in the defense industry, there was money pouring into the business like you wouldn't believe," recalls Cedillos. "They felt that it was going to go on forever. I don't think the aerospace companies have ever felt that they really had to participate in the political process to the extent that is now becoming apparent to everybody."

All the more reason, he says, for grabbing the opportunity at the governor's ball to warn Wilson of the troubling decay of California's aerospace industry. With the curtain coming down on the Cold War and with the onset of the recession, the once high-flying aerospace industry was quickly coming back to earth.



Ron Cedillos

The Republican fundraiser uses his political influence to aid the aerospace industry.

ing a major factor in Rep. Dana Rohrabacher's (R-Long Beach) election to Congress.

These activities made Cedillos a known finance commodity, which, metaphorically speaking, gave him the eggs to bake the cake.

"Do I have a role to play because I've raised money or do I have a role to play because I have leadership to contribute?" asks Cedillos. "I would like to think that I have leadership to contribute."

But he also *does* bring in the bucks. Cedillos would probably not have dined at Gov. Wilson's table during his inaugural ball had he not been the kind of cash courier for Wilson's campaign that he was. He concedes that being a recognized finance commodity means that he has access. "But I've also been in way too many high level campaign finance committee meetings where the names of some of the largest companies in California and the nation are considered politically impotent," Cedillos insists.

Until recently, membership in that

Fewer defense contracts and an unwieldy layer of state regulations triggered huge job losses in the industry. Of the 60,000 aerospace jobs the state lost in the 1980s, 18,000 left for other regions with more hospitable environments for doing business. Worse, the recession alone has extinguished more than 100,000 aerospace jobs in the state.

Just days after Cedillos' dinner discussion with Wilson, the governor, committed to reversing the indifference to the plight of aerospace that marked the Deukmejian Administration, met with Cedillos and asked him to rally the chiefs of aerospace to explore ways to stop the industry's hemorrhaging from the state.

It was an improbable request to be made of a man whose company rested two or three pegs down on the aerospace pecking order. "The governor sees Ron as a very energetic, aggressive, bright self-starter," explains Wisner of Wilson's decision to have Cedillos spearhead the aerospace alliance. "He's just the type of businessman the governor wants to see

remain in the state."

In amazing fashion, Cedillos was able to convince such bigwigs as Daniel Tellep of Lockheed, Robert Hood of Douglas Aircraft and Kent Kresa of Northrop to convene with Wilson and hammer out strategies for preserving the state's remaining 1.4 million aerospace jobs.

Chief on the alliance's task list, says Cedillos, is to begin leaning on state legislators to ease the regulatory straight jacket that "adds a full 10 percent in added costs to doing business in the state as opposed to other regions," he says. "Any business owes it to its customer and to its shareholders to have the lowest cost of business. That's a basic tenet of running a company. Right now, California is a very expensive place to do business. The question is, what do we do about it?"

At this early stage, says Wisner, ideas are being assembled. "There's been a number of initiatives they've [the aerospace alliance] talked about," he adds. "From publishing the voting records of members of Congress, applying more pressure on the members of Congress (Cedillos says the California congressional delegation has a poor record of supporting the state's aerospace business), to starting initiatives to help these companies make the transition from a period of defense build-up to a new era of scaling back."

Says Cedillos: "We've at least made the public aware of the plight of the aerospace/manufacturing industry in California, and the importance of it relative to all of California's economic health."

Meantime, so impressed has been Wilson with Cedillos' performance in the aerospace alliance that he asked him to join Peter Ueberroth on the California Council on Competitiveness, a group of private businessmen charged with exploring strategies for keeping businesses in every industry from abandoning the Golden State.

Cedillos relishes his new assignment. "We have never had a formalized, articulated industrial policy," he says. "That's absolutely essential if we're going to establish leadership in global economic terms, if we're going to rally to the competitive level that we foresee with the onset of the Pacific Rim and the European Community. I think the work of the council will serve as the blueprint for California to regain its economic prominence, and will guide business and industry in the state for the next decade."

And then what?

Ron Cedillos leaves the very clear impression that he hasn't finished climbing. It's evident in his clear understanding of matters political and economic, both national and international. He has an insatiable fascination for public policy—what drives it, what changes it, who influences it. And he knows the answers.

"There are a lot of people who say they know what needs to be done," he says. "Go to any bar, any restaurant, any house, and people will tell you their ideas on what Bush should do about the economy."

"Unfortunately, that really doesn't matter unless you elevate yourself to some sort of position where you can impact decisionmakers and have them listen to you and then act upon it. That's what I've done."

RON CEDILLOS: JOINING BUSH'S TEAM? • AN INTERVIEW WITH ALAN DERSHOWITZ

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