

Funds

Continued from A1

Lock employees stamp out their padlocks.

The congressman voted against the stimulus package but conceded that in the case of Pacific Lock, the program is working.

"That was one of (House Republicans') arguments. We could have spent half the money to save twice the jobs," McKeon said after he finished touring the factory.

According to McKeon, the stimulus package has only saved a net total of two jobs in the Santa Clarita Valley. He would have preferred to give the stimulus benefits directly to small businesses like Pacific Lock, McKeon said.

"If (Pacific Lock) hadn't added these jobs it would

have been worse," he said.

Health care issues

With more than six times the number of employees he started with, Waugh said one of the challenges his company faces is offering employees health insurance while staying competitive.

"We didn't anticipate what it cost for insurance for employees that make \$9 an hour," Waugh said.

Almost 20 percent of the 25 employees at Pacific Lock who are eligible for insurance opt out because they can't afford it, he said.

Pacific Lock contributes \$100 per employee per month for health care. The employees are asked to contribute another \$300 per month for that care, Waugh said.

"We are eager to offer good benefits to our employees, but honestly it's expensive and I don't know what

the answer is," he said.

McKeon, who voted along party lines Saturday against the first large-scale health care reform program to ever make it through Congress, has remained true to his original position that government-run health care through a public option is unaffordable and runs contrary to the free market principles he holds dear.

He supports the Republican bill that allows small businesses to buy insurance across state lines and purchase that insurance in consortiums that give those companies the same buying power as large corporations.

Those measures would help lower costs.

"Anything we can do to increase competition will lower cost," he said. "Even if it lowers costs by 10 percent, that's a start."

bcharles@the-signal.com

Stimulus funds key to lockmaker's growth

■ Congressman Howard "Buck" McKeon visits local business that secured big defense contract

By Brian Charles
Signal Staff Writer

A Valencia firm that has defied the odds — boosting its employee count more than 600 percent and winning a federal contract with the help of stimulus funds — received a congratulatory visit Monday from Congressman Howard "Buck" McKeon.

Pacific Lock has mushroomed from a "mom and pop" padlock-maker with seven employees, mostly family members, to a company with 45 employees and a military contract worth \$2.5 million a year, said company President Greg Waugh.

He credits his company's rapid growth to President Barack Obama's stimulus package.

"Without the stimulus we wouldn't have been able to expand," Waugh said.

The stimulus package, pushed by Obama, pays for 17 of the 45 employees at Pacific Lock.

Many of those employees are either disabled or people with felony convictions who are getting a second chance through Pacific Lock.

In turn, the company has used that labor force to bid for and eventually win a large federal contract, which normally would go to a large company like Master Lock, Waugh said.

"Without those extra employees, the government would have no confidence that we could execute a contract that large," Waugh said.

On Monday, Waugh escorted McKeon, R-Santa Clarita, through the warehouse where Pacific

"That was one of (House Republicans') arguments. We could have spent half the money to save twice the jobs."

Congressman Howard "Buck" McKeon

See FUNDS, A6