



Workforce Shortage – Provide Incentives to Help U.S. Metalcasters Recruit, Train, and Retain Workers

U.S. metalcasters continue to face critical workforce challenges, specifically the ability to attract and retain a qualified workforce, from production, maintenance, and technician positions, to machinists, electricians, patternmakers, metallurgists, and foundry engineers. The American Foundry Society's (AFS) Metalcasters 2022 Quarterly Outlook Survey found that nearly 86% of responding metalcasters reported unfilled positions at the time of the survey.

In fact, over the past 12 months, job openings in the manufacturing sector have averaged nearly 865,000. The number of job postings continue to be well above pre-pandemic levels, as companies ramped up production and looked for more workers to meet the additional capacity. The persistent shortfall of workers and a skills mismatch for the metalcasting sector slows down economic growth and hurts our competitiveness.

Metalcasters continue to seek ways to improve employee attraction and retention by increasing compensation, providing training programs, working with community colleges, pursuing temporary employees by using staffing services, and encouraging potential retirees to delay inevitable retirement.

AFS, along with our chapter organizations and member companies, works diligently to attract employees to our industry. Metalcasters introduce the metalcasting process through "Foundry-in-a-Box," with interactive demonstrations at local elementary schools, middle schools, high schools, science fairs, and other venues. Forty-three student chapters exist at universities and community colleges across North America. Many AFS chapters provide students financial support, including scholarships, to students at community colleges and universities with metalcasting programs. In turn, our member companies provide internships for these students, many of whom obtain full-time positions at foundries when they graduate.

Message To Congress

AFS urges lawmakers to support passage of the following initiatives to modernize the nation's job training, strengthen workforce development programs, and reduce costs associated with training:

- **Expand Pell Grant Eligibility to High-Quality Short-Term Workforce Programs** – Short-term certificate programs allow students to quickly gain skills and credentials

for jobs in the manufacturing sector. The JOBS Act (H.R. 2037/S. 864) is a bipartisan proposal that would expand Pell Grant eligibility to students enrolled in high-quality job training programs that are at least 8 weeks in length and lead to industry-recognized credentials and certificates. Under current law, Pell Grants — needs-based grants for low-income and working students — can only be applied toward programs that are over 600 clock hours or at least 15 weeks in length.

- o The House version of the pending China competition bill, the America COMPETES Act (H.R. 4521), was amended to include language similar to the JOBS Act, but the companion Senate bill does not. We ask Congress to include short-term Pell in the final competitiveness package.
- **Expand Tax Credits for Employers that Provide Training to Employees.**
- **Create and Expand Tax Benefits to Incentivize Individuals to Pursue Training and Technical Education** – The Internal Revenue Code Section 127 currently only allows for \$5,250 of educational assistance to an employee be excluded from an employee's gross income. This amount should be adjusted to \$11,500 to increase participation in approved training programs.
- **Increase Investments in Technical and Community Colleges** – The Perkins Basic State Grant program is the principal source of dedicated federal funding for career and technical education (CTE). Increasing Perkins funding will expand access to high quality CTE programs to a greater number of secondary, postsecondary, and adult learners. Therefore, we urge Congress to increase funding for the Perkins Basic State Grant program in FY 2023.

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Message to Congress

Urge your Senators to co-sponsor and support passage of the Jumpstart Our Businesses by Supporting Students (JOBS) Act (S. 864). Thank the following Senators for co-sponsoring:

Sen. Tammy Baldwin*
Sen. Joni Ernst (R-IA)*
Sen. Jerry Moran (R-KS)*
Sen. John Barrasso (R-WY)
Sen. Dianne Feinstein (D-CA)
Sen. Jon Ossoff (D-GA)
Sen. Richard Blumenthal (D-CT)
Sen. Kristen Gillibrand (D-NY)*
Sen. Gary Peters (D-MI)
Sen. Roy Blunt (R-MO)*
Sen. Bill Hagerty (R-TN)
Sen. Rob Portman (R-OH) - Sponsor
Sen. John Boozman (R-AR)
Sen. Margaret Hassan (D-NH)*
Sen. Jacky Rosen (D-NV)
Sen. Mike Braun (R-IN)
Sen. Martin Heinrich (D-NM)
Sen. Marco Rubio (R-FL)

Sen. Sherrod Brown (D-OH)
Sen. John Hickenlooper (D-CO)
Sen. Jeanne Shaheen (D-NH)*
Sen. Shelley Moore Capito (R-WV)*
Sen. John Hoeven (R-ND)*
Sen. Kyrsten Sinema (D-AZ)*
Sen. Ben Cardin (D-MD)
Sen. Cindy Hyde-Smith (R-MS)
Sen. Tina Smith (R-MN)*
Sen. Bob Casey (D-PA)
Sen. James Inhofe (R-OK)*
Sen. Debbie Stabenow (D-MI)
Sen. Bill Cassidy (R-LA)
Sen. Tim Kaine (D-VA) – Sponsor
Sen. Dan Sullivan (R-AK)
Sen. Susan Collins*
Sen. Mark Kelly (D-AZ)*
Sen. Jon Tester (D-MT)

Sen. Chris Coons (D-DE)*
Sen. John Kennedy (R-LA)
Sen. Thom Tillis (R-NC)
Sen. Catherine Cortez Masto (D-NV)
Sen. Angus King (I-ME)*
Sen. Tommy Tuberville (R-AL)
Sen. Kevin Cramer (R-ND)*
Sen. Amy Klobuchar (D-MN)
Sen. Chris Van Hollen (D-MD)
Sen. Steve Daines (R-MT)
Sen. Ben Lujan (D-NM)
Sen. Mark Warner (D-VA)
Sen. Tammy Duckworth (D-IL)*
Sen. Roger Marshall (R-KS)*
Sen. Roger Wicker (R-MS)*

**Original Cosponsor*

To co-sponsor the JOBS Act (S. 2016) in the Senate, contact: Megan Harrington, Legislative Assistant, megan_harrington@portman.senate.gov, Office of Sen. Rob Portman (R-OH) or Karishma Merchant, Legislative Assistant, karishma_merchant@kaine.senate.gov, Office of Sen. Tim Kaine (D-VA).

Urge your House lawmaker to co-sponsor and support passage of the Jumpstart Our Businesses by Supporting Students (JOBS) Act (H.R. 2037). Thank the following House lawmakers for co-sponsoring:

Rep. Colin Allred (D-TX)
Rep. Vincente Gonzalez (D-TX)
Rep. Marie Newman (D-IL)
Rep. Kelly Armstrong (R-ND)
Rep. Jahana Hayes (D-CT)
Rep. Tom Rice (R-SC)
Rep. Cindy Axne (D-IA)
Rep. Jaime Herrera Beutler (R-WA)*
Rep. David Rouzer (R-NC)
Rep. Troy Balderson (R-OH)
Rep. Brian Higgins (D-NY)
Rep. Adam Smith (D-WA)
Rep. Lisa Blunt Rochester (D-DE)*
Rep. Ashley Hinson (R-IA)*
Rep. Jason Smith (R-MO)

Rep. Julia Brownley (D-CA)
Rep. Steve Horsford (D-NV)
Rep. Lloyd Smucker (R-PA)
Rep. Salud Carbajal (D-CA)
Rep. Bill Johnson (R-OH)*
Rep. Abigail Spanberger (D-VA)*
Rep. Tom Cole (R-OK)
Rep. David Joyce (R-OH)
Rep. Eric Swalwell (D-CA)
Rep. Angie Craig (D-MN)
Rep. John Katko (R-NY)*
Rep. William Timmons (R-SC)
Rep. Dan Crenshaw (R-TX)
Rep. Adam Kinzinger (R-IL)
Rep. David Trone (D-MD)
Rep. Suzan DelBene (D-WA)

Rep. Darin LaHood (R-IL)
Rep. Mike Turner (R-OH)
Rep. Debbie Dingell (D-MI)
Rep. Doug Lamborn (R-CO)
Rep. Jeff Van Drew (R-NJ)
Rep. Bob Gibbs (R-OH)
Rep. Tracey Mann (R-KS)
Rep. Brad Wenstrup (R-OH)
Rep. Anthony Gonzalez (R-OH)*
Rep. Cathy McMorris Rodgers (R-WA)
Rep. Rob Wittman (R-VA)

**Original Cosponsor*

To co-sponsor the JOBS Act (H.R. 2037) in the House, contact: Courtney Laudick, Sr. Legislative Assistant, courtney.laudick@mail.house.gov, Office of Rep. Andy Levin (D-MI) or Patricia Clark, Legislative Assistant, patricia.clarke@mail.house.gov, Office of Rep. Anthony Gonzalez (R-OH)



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Boost U.S. Manufacturing Competitiveness & Innovation

Supply chain resilience continues to be tested by a range of factors, from COVID to geopolitics to container shortages, congested ports, and truck driver shortages. The pandemic exposed what many of us have known for years: American workers and consumers — and thus the American economy — depend on a robust supply chain bolstered by American manufacturers. To maintain and extend the United States' economic and innovation leadership, we must act swiftly to invest in research, grow our talent pipelines, and accelerate development of key technologies that are foundational to strengthening our nation's manufacturing sector.

Congress is in the midst of debating legislation aimed at easing supply chain distress. In fact, the House of Representatives and Senate have begun a formal conference to consider differences between the America COMPETES Act (H.R. 4521) and the United States Innovation and Competition Act (USICA) (S. 1260). These measures are aimed at bolstering U.S. investments in research, technology, and manufacturing to counter increasing economic competition from China and to help address ongoing supply chain challenges.

Message To Congress

AFS urges lawmakers to reach a bipartisan agreement that strengthens domestic manufacturing and increases our global competitiveness, and to support the following priority areas in a final China competition bill:

- **Strengthen Domestic Semiconductor Manufacturing** – AFS supports funding contained in both the Senate's USICA and the House's America COMPETES Act to bolster domestic semiconductor manufacturing. Metalcasters supply key castings to a wide range of sectors where semiconductor chips play a central role, including but not limited to cars, buses, trains, planes, appliances, tractors, motorcycles, and machinery. Over the past two years, several foundry customers have suspended their operations due to chip shortages for weeks at a time, which also impacts metalcasting operations.
 - **Bolster Supply Chain Resilience** – AFS supports the Manufacturing Security and Resilience Program and other critical provisions included in the supply chain resilience subtitle of the House-passed America COMPETES Act (Sec. 20201 through 20211 of H.R. 4521). This program would provide for supply chain resilience, including the development of new technologies and re-tooling of industrial equipment, via grants, loans, and loan guarantees. The America COMPETES Act empowers the Department
- to conduct comprehensive supply chain mapping and monitoring.
 - **Implement Shipping Reform** – Ocean freight rates more than tripled in 2021 and have been further elevated by other associated costs, such as detention, congestion fees, surcharges, a lack of available pier and storage space, substantial increases in transit times, shortage of truck drivers, and fuel prices. Metalcasters have faced significant delays in obtaining key foundry materials and minerals through U.S. ports. Metalcasters support the Ocean Shipping Reform Act (H.R. 4996/S.3580) aimed at decreasing ocean transportation costs, reducing shipping delays, implementing more stringent oversight mechanisms, and improving ocean shipping service standards. Variations of the legislation have passed both chambers, and the House version is included in the America COMPETES Act.
 - **Strengthen Trade Remedy Laws & Maintain Section 301 Tariffs** – The House-passed competitiveness bill includes the Eliminating Global Market Distortions to Protect American Jobs Act (H.R. 6121/S. 1187), which would update and modernize U.S. trade laws to ensure that domestic industries, including metalcasting, are able to pursue and rely upon remedies to address new and evolving unfair trade practices by China and other trading partners. China's government continues to heavily subsidize its companies; many, in fact, are state-owned or controlled, which means they can price their goods far below fair market value. In addition, AFS urges consideration of legislation that would more effectively punish U.S. importers that mask the true country of origin of illegally imported products, and their customers that repeatedly facilitate transshipment schemes.
 - **Ensure Strong Research & Development (R&D) Expensing** – Restore immediate R&D expensing to incentivize long-term investments in innovation and technological breakthroughs by providing manufacturers an opportunity to deduct research and development activities in the tax year that they occur. Starting this year, companies must amortize or deduct their R&D expenses over a period of years, which makes R&D more expensive. While not included in the base text of the competition legislation, a bipartisan group of 28 Senators and 102 House members have signed on to legislation to address this change to R&D policy, and a Senate motion to instruct conferees on this issue was adopted in a 90–5 vote.

- **Bolster Domestic Critical Minerals Supply Chain –** Metalcasters support strong federal investment to support domestic critical mineral and material processing, recycling, extraction, and high-level supply chain mapping, included in the America COMPETES Act. In particular, the increase in critical mineral funding for agencies like the National Science Foundation, as well as the directive to advance critical mineral mining processing and recycling technologies, will improve critical mineral lifecycles and scale these technologies for broad market use.

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Strengthen Our Nation's Energy Security

The invasion of Ukraine — and its impact on the cost and supply of energy — highlight the importance of reliable and affordable energy even as the world pursues the transition to cleaner energy. Americans are facing the highest inflation in generations, and skyrocketing natural gas and electricity prices have raised manufacturing and transportation costs across many sectors, including for the U.S. metalcasting industry.

Furthermore, electricity rates are expected to continue to rise at a rapid clip given the higher cost of natural gas, and as power companies also spend more on new transmission lines, batteries, wind turbines, solar farms, and other gear to reduce greenhouse gas emissions. In Florida, Hawaii, Illinois and New York, rates are up about 15 percent, according to the Energy Department's latest figures. Meanwhile, there is less U.S. and Canadian refining capacity today than there was before the pandemic, as some refineries closed permanently, and others are being converted to refine renewable fuels rather than crude oil.

Pursuing climate progress and energy security are not mutually exclusive. We can increase domestic production of oil and natural gas and accelerate the energy transition. Policymakers need to act to now before it gets worse. Manufacturers, including U.S. metalcasters, risk losing our global energy advantage if prices continue to rise and exacerbate supply chain constraints. Increasing energy production and mining critical minerals here at home is the way we can drive down energy costs, lower inflation, support our allies, and make manufacturers in America more competitive in the global marketplace.

Message To Congress

The American Foundry Society (AFS) remains committed to working with the administration and leaders in both parties to help lead America through these ongoing crises, as well as to continue to produce vital castings for the oil and gas sector, electric vehicles, buses and trucks, as well as for renewable energy including wind turbines. AFS urges the President and the Congress to implement the following key policies:

- **Promote Domestic Energy Production and Infrastructure Development to Enhance Energy Security** – Reverse obstacles to domestic oil and natural gas leasing. That starts with approving responsible exploration and production, supporting sustainable permitting, and quickly building out more energy infrastructure, including electric vehicle charging and pipelines. Foundries produce vital castings for the oil and gas and renewable energy sectors.

- **Increase Production and Processing of Critical Minerals and Materials in the U.S.** – The U.S. faces a shortage of minerals, materials, and processing capacity to support key sectors of the economy and the clean energy transition. It can take at least a decade to get a new American mine operation permitted.

Materials such as copper, cobalt, nickel, lithium, graphite and zinc, are essential for renewable technologies. But the mining and processing are dominated by China and other nations. In 2021, the United States produced just 6 percent of the global copper supply, 0.4 percent of global cobalt supplies, 0.67 percent of the world's nickel, 0 percent of global graphite supply, and about 5.7 percent of the world's zinc.

In January, the administration canceled longstanding leases in northern Minnesota which holds 95% of U.S. nickel reserves. And the only existing U.S. nickel mine, the Eagle Mine in Michigan's Upper Peninsula, is set to close in 2025. Permitting has also been a deterrent to the development of a copper mine in Arizona, minerals exploration in Wyoming, and a lithium and boron mine in Nevada. Critical mineral mining and processing is needed here within the United States, and it would create jobs, revive the mining industry, and help to ensure the U.S. is independent of China and other hostile nations.

- **Institute More Efficient Permitting Processes** – Project delays related to both energy security and the energy transition hurt our nation. America's system for permitting the development of projects — in particular those that require a National Environmental Policy Act (NEPA) review — is broken. Projects of all kinds—renewables, electricity transmission, critical mineral mining, oil and natural gas, and pipelines — face extensive delays and can even be halted due to unnecessarily lengthy NEPA reviews and associated litigation.

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