



# American Foundry Society 2024 Policy Priorities

U.S. Metalcasting Week in Washington, D.C. – June 10-14, 2024



## Fighting Overregulation

Metalcasters are facing major headwinds in the form of the cost, complexity, and uncertainty associated with an unprecedented wave of federal regulations. The surge in burdensome regulations is impacting businesses at a \$3 trillion cost to our economy. The regulatory onslaught comes from new rules from EPA on PM2.5 air standards, power plant, tailpipe emissions, and PFAS Drinking Water standard, as well as the Labor Department's overtime rule and OSHA's walkaround rule to the broader regulatory agenda. Unbalanced federal regulations make it challenging to grow our facilities by siphoning resources away from job creation and capital investments in our plants.



## Combat Trade Cheats

China disrupts world markets both by subsidizing the production of metal castings and other products and by dumping castings in the U.S. and other markets. The Chinese government is also expanding its unfair trade practices beyond its borders by transshipping metal castings to Mexico as a back door to enter the U.S. to avoid U.S. tariffs. AFS supports strong trade enforcement tools and urges lawmakers to enact the following bipartisan bills the Fighting Trade Cheats Act and Leveling the Playing Field Act 2.0 which will strengthen U.S. trade remedy laws to crack down on unfair trade practices, including companies bypassing U.S. duties and dumping laws, enhance penalties, and ensure adequate resources for the agencies responsible for enforcing these trade laws.



## Restore A Pro-Growth Tax Code

Many of the pro-growth tax provisions from the 2017 Tax Cuts and Jobs Act are scheduled to expire at the end of 2025 unless Congress intervenes. AFS urges lawmakers to resist calls for higher business taxes and restore a competitive tax system to bolster economic growth, capital investment and job creation. Metalcasters support restoring 100% bonus depreciation, the full deduction for domestic research and development (R&D) expenses and 20% pass-through deduction; eliminating the federal estate tax; and preserving the business interest deductibility. Tax increases on manufacturers will undermine our industry's ability to compete internationally, create more jobs, make critical upgrades to our plants, and increase wages.



## Fix the Broken Permitting Process

Our nation's roads, bridges, ports, airports, water infrastructure, and more will see an injection of billions in federal dollars this year, due to a variety of federal programs and the bipartisan 2021 infrastructure law. Many of these projects will need to complete a lengthy and complex federal permitting process. Typically, the permitting process for infrastructure projects lasts more than seven years on average — meaning constructing many of these projects may not begin until the next decade — at the earliest. AFS is urging lawmakers to enact meaningful, durable legislation to modernize our nation's outdated permitting processes.



## Modernize America's Workforce Development System

Finding and retaining quality talent is consistently a top business challenge among metalcasters. AFS urges Congress to prioritize policies that expand the eligible uses of 529 tax-advantaged education savings account funds to cover costs associated with workforce training and credentialing programs and expand federally supported career and technical education (CTE) programs and Pell Grant eligibility for students pursuing high-quality short-term education and training programs.

The American Foundry Society (AFS) is the major trade and technical association for the North American metalcasting industry. The industry is composed of over 1,700 facilities manufacturing castings made from iron, steel, aluminum, copper, brass, and other nonferrous alloys that have thousands of applications. America's metalcasters design and produce the highly engineered castings that are used to produce 90% of all durable goods and nearly all manufacturing machinery.

For more information, please visit [www.afsinc.org](http://www.afsinc.org) or contact Stephanie Salmon, AFS Washington Office, [ssalmon@afsinc.org](mailto:ssalmon@afsinc.org).



## 2024 POLICY PRIORITIES

# Fighting Overregulation

**T**he current regulatory onslaught threatens the competitiveness of manufacturing in America, chilling investment, curtailing job creation, and suppressing wage growth. U.S. metalcasters are facing unprecedented headwinds in the form of cost, complexity, and uncertainty from this wave of overreaching and burdensome federal regulations from a wide range of agencies detailed below.

U.S. metalcasters are truly the backbone of the manufacturing supply chain, producing thousands of key castings for larger firms in critical sectors. Federal regulators should create a regulatory environment that fosters innovation, competition, and growth for manufacturers, and develop more balanced and workable regulations.

## Total Cost of Federal Regulations Exceeds \$3 Trillion Annually

The annual cost of complying with federal regulations has risen by \$465 billion since 2012 and now totals over \$3 trillion (12% of U.S. GDP) as of 2022. This study, the Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business, only reflects regulations in place as of 2022, and not all the dozens of new regulations and expansive revisions of existing ones being finalized.

- The average manufacturer in the United States pays over \$29,000 per employee per year.
- The burden is even greater for small U.S. manufacturers, or those with fewer than 50 employees, which incur the highest regulatory costs of all U.S. firms with an estimated \$50,100 per employee per year.



In recent industry surveys, U.S. metalcasters indicate that they could enhance their competitiveness if the cost of federal regulations were reduced, reallocating compliance funds toward compensation and hiring, research and development, sales and marketing, enhancing price competitiveness, and improving return on investment.

## Curb the Regulatory Onslaught in Washington

The wave of unbalanced regulations coming out the administration threatens to undermine the U.S. metalcasting industry's ability to grow and compete. The regulatory onslaught is real. It's a hidden tax. Here are some recent examples of onerous federal rulemakings and their impact on metalcasters in your state:

### Environmental Protection Agency

- **Revised PM2.5 National Ambient Air Quality Standards (NAAQS) Will Freeze Growth**

EPA recently finalized a stringent and unworkable PM2.5 standard of 9 [micrograms per cubic meter of air] which will hamstring U.S. economic growth, job creation and competitiveness—and must be reversed.

<sup>1</sup> The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business, Nicole V. Crain and W. Mark Crain, October 2023 <https://nam.org/wp-content/uploads/2023/11/NAM-3731-Crains-Study-R3-V2-FIN.pdf>

- The stricter PM2.5 in line with background levels of particulate matter in many parts of the country – it is so low that foundries will be expected to reduce their emissions below what naturally occurs.
- **Impact:** Large areas of the U.S. will be forced into “nonattainment” status. Foundries located in nonattainment areas will face restrictions on production, bans on building new plants or expansions of existing facilities, stringent new emission limits, and increased regulatory oversight on facility operations, and air permits.
  - It will hamper job growth, impede permitting for critical infrastructure, and force tough choices on states and towns nationwide.
  - Europe’s current PM standard is 25 and China’s is 35 – making manufacturing in the U.S. less competitive globally and hindering onshoring.
- **Status:** Lawsuit filed against the new rule in D.C. Circuit Court in March. A briefing is expected to get underway late spring/early summer and wrap up in October, with oral arguments to follow.
- **EPA’s New Power Plant Rule Is Unachievable Without Substantial Permitting Reform**  
In April, the EPA released a final landmark rule requiring sweeping reductions in carbon emissions from existing coal-fired power plants and new natural gas plants. The rule mandates that many new gas and existing coal plants reduce their greenhouse gas emissions by 90% by 2032.
  - The requirements are expected to force the U.S. power industry to install billions of dollars’ worth of emissions control technologies or be forced to shut down plants.
- **Impact:** Since the Congress and the administration have not enacted substantial permitting reform, it makes it impossible to achieve the EPA’s mandates. A more balanced regulatory framework is needed.
  - Pushing through yet another set of regulations in the absence of systemic reforms burdens an already overtaxed national electrical grid.
  - The final rules threaten grid reliability because of the unrealistic timeline for power plants to adopt technologies within the next 10 years that have yet to even be proven at scale.
- **Status:** Industry trade groups and attorneys general from 27 U.S. states and sued the EPA in the US. Court of Appeals for the District of Columbia Circuit on May 9, 2024.
- **Heavy-Duty and Vehicle Tailpipe Emissions Rules Threaten Electric Grid’s Reliability**  
In March, EPA finalized rules aim to cut fleetwide tailpipe emissions for cars and light trucks by nearly 50% over 2026 levels in 2032 and reduce greenhouse gas emissions by 7.2 billion tons through 2055. EPA also finalized strict emission standards for both heavy-, medium- and light-duty trucks between 2027-2032. However, forced zero-emission vehicle penetration rates in the later years will drive only battery-electric and hydrogen investment, limiting fleets’ choices with early-stage technology that is still unproven.

- **Impact:** While the new regulation grants automakers more time for implementation than previous versions, it fails to reconcile with the realities of current U.S. infrastructure.
  - Electric trucks currently cost approximately \$400,000, more than twice the cost of a diesel-powered truck. Plus, electric trucks offer a significantly shorter range, covering less than 300 miles compared to a diesel truck’s capacity. Coupled with lengthy charging times, electric trucks would take four to five days to complete a 1,000-mile journey—a task that diesel-powered trucks can accomplish in just two days.
  - A mandated shift to electric trucks is inefficient and costly. It will inflate interstate transportation expenses, raise commodity prices, and strain the \ electric power grid.
  - Congressional action would be needed on critical permitting reforms to build the charging infrastructure to support this type of transition. This includes ramping up electricity production and developing a reliable domestic supply of critical minerals.
- **Status:** On April 18, 2024, 25 attorneys general sued the EPA to block the vehicle tailpipe rule in the U.S. Court of Appeals for the District of Columbia Circuit., arguing that the agency exceeded its legal authority. On May 13, 2024, 24 attorneys general filed a lawsuit in the U.S. Court of Appeals for the D.C. Circuit, seeking to declare the new heavy-duty truck provisions unlawful and to vacate EPA’s action.

## Department of Labor

- **OSHA Walkaround Rule Exceeds Agency’s Authority**  
Finalized in March, this rule would allow unlimited non-employee third parties to accompany OSHA compliance officers on workplace safety inspections based on tangential qualifications, opening the door for union organizers, trial lawyers, and others. The rule is set to take effect May 31.
  - OSHA has upended over 50 years of precedent by dramatically expanding the type of third parties allowed to accompany inspectors during walkarounds.
- **Impact:** Forcing manufacturers, including metalcasters, to accommodate third parties with no safety expertise in their facilities infringes on manufacturers’ property rights and threatens new liabilities.
  - The final rule fails to answer who is legally responsible if the third party gets injured during the inspection or harms someone else.
- **Status:** On May 21, 2024, a dozen business groups sued OSHA challenging the expansions to the worker walkaround representative designation process in a Texas federal court and asking the court to postpone enforcement of the rule and vacate the regulation.



- **Overtime Rule will Stifle Job Creation and Limit Flexibility**

In April, the Labor Department released its final overtime rule which significantly increases the salary threshold for overtime pay eligibility and will automatically raise the threshold every three years.

- It raises the minimum salary threshold above which employees are exempted from federal overtime pay requirements from \$684 per week (\$35,568 annually) to \$844 per week (\$43,888) beginning July 1, 2024, and then to \$1,128 per week (\$58,656 annually) beginning January 1, 2025.
- **Impact:** Metalcasters have spent recent years adapting their operations and personnel to meet the evolving workforce needs post-pandemic. The DOL's rule would add new regulatory burdens and compliance costs to an industry already grappling with workforce shortages and excessive regulations.
  - Increasing the minimum salary threshold by at least 65% percent will stifle employee growth opportunities, diminish workplace autonomy, and limit flexibility.
  - The rule fails to account for disparate income levels in different regions of the country.
- **Status:** A lawsuit was filed on May 22 in the U.S. District Court for the Eastern District of Texas to block the final rule.

## **Tell Congress: Protect Small Businesses from Excessive Federal Regulations**

AFS is urging Congress to enact the Prove It Act of 2024 (H.R. 7198/S.1411) to ease the regulatory burdens on small manufacturers.

The bipartisan bill will close loopholes in the Regulatory Flexibility Act (RFA) and require federal agencies to assess and limit the direct and indirect costs of their rules and regulations on small businesses. It would bring transparency to the actual costs on Main Street American businesses.

- The RFA, passed 44-years ago, was intended to correct the lopsided burden on small business and require regulators to tailor rules to meet government objectives while minimizing the burden on small businesses.
- Loopholes in the RFA allow federal regulators to bypass the law's requirements and misrepresent costs of new mandates.
- Misrepresented costs result in disproportionate regulatory burdens on small businesses.
- H.R. 7198 was reported out of the House Judiciary Committee in March 2024.

For further information, contact:

### **American Foundry Society**

AFS Washington Office  
Stephanie Salmon  
202-452-7135 | [ssalmon@afsinc.org](mailto:ssalmon@afsinc.org)

### **AFS Headquarters**

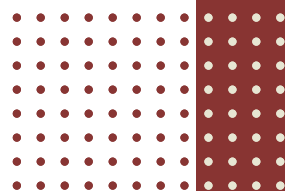
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847-824-0181 | [www.afsinc.org](http://www.afsinc.org)



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## 2024 POLICY PRIORITIES

# Combat Trade Cheats

**C**hina continues to engage in widespread unfair trade practices that harm American metalcasters. China's enormous state support for industry fosters overcapacity that brings prices down so low, American metalcasters can't compete. Trade cheating continues to be a serious threat to American industry and workers.

While the Section 301 and 232 tariffs, implemented in 2018, have reduced some direct Chinese exports to the U.S., indirect Chinese exports are finding their way here through Southeast Asia, Mexico, Canada, and other countries. More recently, U.S. metalcasters have seen an uptick in the transshipments of metalcastings to Mexico as a back doorway to enter the U.S. Global container traffic data, compiled by the company Xeneta, support the thesis that Beijing is using the Mexican route to avoid U.S. tariffs and restrictions on Chinese products. China's container exports to Mexico rose nearly 60% in January 2024, compared to the same month in 2023.

In addition, there is a growing challenge posed by foreign producers collaborating with unscrupulous importers to **bypass U.S. duties and dumping laws**. American manufacturers frequently bring trade cases against subsidized imports that are sold at below the cost of production. However, even when U.S. firms obtain anti-dumping and countervailing duty remedies from the federal government, importers and producers often evade them. This happens through transshipment schemes, false documentation, and the use of shell companies to hide import data.

To address these ongoing challenges, the American Foundry Society (AFS) urges the following actions by the Biden administration and Congress:

- **Ensure the Section 232 and Section 301 tariffs on metalcastings remain in place.** Tariffs have strengthened the U.S. economy and led to reshoring in many industries.
- **Strengthen and aggressively enforce U.S. antidumping and countervailing duty laws,** ensure adequate resources for the agencies responsible for enforcing these trade

laws, and work to address transshipment, circumvention, and evasion of trade remedy orders.

- **Support the enactment of bipartisan legislation, the Fighting Trade Cheats Act and Leveling the Playing Field Act 2.0** that further strengthens U.S. trade law enforcement to crack down on repeat offenders and serial trade cheaters.
- Ensure full and effective enforcement of the **United States-Mexico-Canada Agreement (USMCA)**.

## Message to Congress

AFS urges lawmakers to strengthen trade remedy laws by holding China and other bad actors accountable for unfair trade practices and to cosponsor and support passage of the following two bipartisan bills the Fighting Trade Cheats Act (H.R. 2667/S. 805) and Leveling the Playing Field Act 2.0 (H.R. 3882/S. 1856).

- **Fighting Trade Cheats Act (H.R. 2667/S. 805)**  
This bipartisan legislation will strengthen U.S. trade law enforcement to target foreign companies that dump foreign-made goods and circumvent subsidy duties by increasing penalties and establishing additional enforcement mechanisms for fraudulent and grossly negligent violations of U.S. customs laws.
  - **More than doubles the penalties** currently in place.
  - **Provides a five-year prohibition** on a person who commits a fraudulent violation from importing merchandise into the United States.
  - **Allows domestic American manufacturers to sue foreign producers** that engage in customs fraud.
  - **Enhances the enforcement tools** for the U.S. Customs and Border Protection.
- **Leveling the Playing Field Act 2.0 (H.R. 3882 / S. 1856)**  
This bipartisan bill **addresses the growing problem of "cross-border subsidization"** where foreign governments subsidize industries, not only in their own countries but in

other countries as well, to evade U.S. trade remedies.

- Authorizes Commerce to:
  - o Apply countervailing duty law to subsidies provided by a foreign government or public entity to a company operating in a third country, and

o Require importers to provide a certification that the imported merchandise is not subject to an antidumping or countervailing duty order.

- Provides authority for Commerce to investigate currency undervaluation as a countervailable subsidy.

**Fighting Trade Cheats Act of 2023 (H.R. 2667) - Urge your House lawmakers to co-sponsor and support passage. Thank the following 25 House lawmakers for co-sponsoring:**

Rep. Robert Aderholt (R-AL-4)	Rep. Angie Craig (D-MN-2)	Rep. Frank Mrvan (D-IN-1)	Rep. Mikie Sherrill (D-NJ-11)
Rep. Troy Balderson (R-OH-12)	Rep. Chris Deluzio (D-PA-17)	Rep. Gregory Murphy (R-NC-3)	Rep. Dale Strong (R-AL-5)
Rep. Sanford Bishop (D-GA-2)	Rep. Richard Hudson (R-NC-9)	Rep. Gary Palmer (R-AL-6)	Rep. Claudia Tenney (R-NY-24)
Rep. Mike Bost (R-IL-12)	Rep. Dan Kildee (D-MI-8)	Rep. Jimmy Panetta (D-CA-19)	Rep. Beth Van Duyne (R-TX-24)
Rep. Nikki Budzinski (D-IL-13)	Rep. Carol Miller (R-WV-1)	Rep. Bill Pascrell (D-NJ-9)	
Rep. Mike Carey (R-OH-15)	Rep. Mariannette Miller-Meeks (R-IA-1)	Rep. Mike Rogers (R-AL-3)	
Rep. Jerry Carl (R-AL-1)	Rep. Nathaniel Moran (R-TX-1)	Rep. Terri Sewell (D-AL-7)	

**To cosponsor the Fighting Trade Cheats Act of 2023 (H.R. 2667), contact:** Noah Barger, noah.barger@mail.house.gov, Office of Rep. Mike Bost (R-IL), or Rob Nuttall, robert.nuttall@mail.house.gov, Office of Rep. Terri Sewell (D-AL).

**Fighting Trade Cheats Act of 2023 (S. 805) - Urge your Senators to co-sponsor and support passage. Thank the following 10 Senators for co-sponsoring:**

Sen. Tammy Baldwin (D-WI)	Sen. Sherrod Brown (D-OH)	Sen. John Fetterman (D-PA)	Sen. J.D. Vance (R-OH)
Sen. Mike Braun (R-IN)	Sen. Ted Budd (R-NC)	Sen. Debbie Stabenow (D-MI)	
Sen. Katie Britt (R-AL)	Sen. Bob Casey (D-PA)	Sen. Thomas Tillis (R-NC)	

**To cosponsor the Fighting Trade Cheats Act of 2023 (S. 805), contact:** Lyndsey Barnes, lyndsey\_barnes@brown.senate.gov, Office of Sen. Sherrod Brown (D-OH), or Ryan Adam, ryan\_adam@tillis.senate.gov, Office of Sen. Thom Tillis (R-NC).

**Leveling the Playing Field Act 2.0 (H.R. 3882) - Urge your House lawmakers to co-sponsor and support passage. Thank the following 59 House lawmakers for co-sponsoring:**

Rep. Robert Aderholt (R-AL-4)	Rep. Monica De La Cruz (R-TX-15)	Rep. Dan Kildee (D-MI-8)	Rep. Jan Schakowsky (D-IL-9)
Rep. Colin Allred (D-TX-32)	Rep. Chris Deluzio (D-PA-17)	Rep. Greg Landsman (D-OH-1)	Rep. Hillary Scholten (D-MI-3)
Rep. Troy Balderson (R-OH-12)	Rep. Debbie Dingell (R-MI-6)	Rep. John Larson (D-CT-1)	Rep. Terri Sewell (D-AL-7) *
Rep. Jim Banks (R-IN-3)	Rep. Chuck Edwards (R-NC-11)	Rep. Summer Lee (D-PA-12)	Rep. Mikie Sherrill (D-NJ-11)
Rep. Jack Bergman (R-MI-1)	Rep. Dwight Evans (R-PA-3)	Rep. Nancy Mace (R-SC-1)	Rep. Pete Stauber (R-MN-8)
Rep. Mike Bost (R-IL-12)	Rep. Ruben Gallego (D-AZ-3)	Rep. Carol Miller (R-WV-1)	Rep. Greg Steube (R-FL-17)
Rep. Shontel Brown (D-OH-11)	Rep. Josh Gottheimer (D-NJ-5)	Rep. Mariannette Miller-Meeks (R-IA-1)	Rep. Haley Stevens (D-MI-11)
Rep. Larry Bucshon (R-IN-8)	Rep. Michael Guest (R-MS-3)	Rep. Alex Mooney (R-WV-2)	Rep. Dale Strong (R-AL-5)
Rep. Nikki Budzinski (D-IL-13)	Rep. Chrissy Houlahan (D-PA-6)	Rep. Frank Mrvan (D-IN-1)	Rep. Emily Sykes (D-OH-13)
Rep. Jerry Carl (R-AL-1)	Rep. Val Hoyle (D-OR-4)	Rep. Donald Norcross (D-NJ-1)	Rep. Dina Titus (D-NV-1)
Rep. André Carson (D-IN-7)	Rep. David Joyce (R-OH-14)	Rep. Greg Pence (R-IN-6)	Rep. Mike Turner (R-OH-10)
Rep. Troy Carter (D-LA-2)	Rep. Marcy Kaptur (D-OH-9)	Rep. Guy Reschenthaler (R-PA-14)	Rep. Beth Van Duyne (R-TX-24)
Rep. Lori DeRemer-Chavez (R-OR-5)	Rep. Thomas Kean (R-NJ-7)	Rep. Harold Rogers (R-KY-5)	Rep. Marc Veasey (D-TX-33)
Rep. Juan Ciscomani (R-AZ-6)	Rep. Mike Kelly (R-PA-16)	Rep. Mike Rogers (R-AL-3)	Rep. Tim Walberg (D-MI-5)
Rep. Rick Crawford (R-AR-1)	Rep. Robin Kelly (D-IL-2)	Rep. John Rutherford (R-FL-5)	

**To cosponsor the Leveling the Playing Field Act 2.0 (H.R. 3882) contact:** Rob Nuttall, robert.nuttall@mail.house.gov, Office of Rep. Sewell (D-AL).



**Leveling the Playing Field Act 2.0 (S. 1856) - Urge your Senator to co-sponsor and support passage.**  
**Thank the following 18 Senators for co-sponsoring:**

Sen. Tammy Baldwin (D-WI)	Sen. Tom Cotton (R-AR)	Sen. Markwayne Mullin (R-OK)	Sen. Bob Casey (D-PA)
Sen. Mike Braun (R-IN)	Sen. John Fetterman (D-PA)	Sen. Tina Smith (D-MN)	Sen. Joe Manchin (D-WV)
Sen. Katie Britt (R-AL)	Sen. Kirsten Gillibrand (D-NY)	Sen. Tommy Tuberville (R-AL)	Sen. Todd Young (R-IN)
Sen. Sherrod Brown (D-OH)	Sen. Lindsey Graham (R-SC)	Sen. J.D Vance (R-OH)	
Sen. Shelley Moore Capito (R-WV)	Sen. Amy Klobuchar (D-MN)	Sen. Elizabeth Warren (D-MA)	

**To cosponsor the Leveling the Playing Field Act 2.0 (S. 1856) contact:** Lyndsey Barnes, [lyndsey\\_barnes@brown.senate.gov](mailto:lyndsey_barnes@brown.senate.gov), Office of Sen. Sherrod Brown (D-OH), or Burke Miller, [burke\\_miller@young.senate.gov](mailto:burke_miller@young.senate.gov), office of Senator Young (R-IN).

**For further information, contact:**

### **American Foundry Society**

AFS Washington Office  
Stephanie Salmon  
202-452-7135 | [ssalmon@afsinc.org](mailto:ssalmon@afsinc.org)

### **AFS Headquarters**

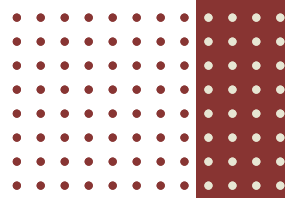
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## 2024 POLICY PRIORITIES

# Restore A Pro-Growth Tax Code

A competitive tax system is critical to the growth of the U.S. manufacturing base. U.S. metalcasters don't need a cycle of uncertainty every few years, worrying if Congress will or won't maintain a pro-growth tax code. Manufacturers need the confidence to continue investing, expanding, and improving their communities.

The passage of the 2017 Tax Cuts and Jobs Act (TCJA) (P.L. 115-97) has allowed metalcasters to make significant investments in their plants and employees. However, expiring tax provisions embedded in the TCJA are already leaving metalcasters and their suppliers, with higher federal income tax bills. Rolling back these key pro-growth provisions costs jobs, slows the economy, favors our competitors abroad, and discourages investment in the United States.

The American Foundry Society (AFS) encourages policymakers to resist calls for higher business taxes as Congress gears up for a major tax reform package in 2025. Lawmakers can provide much needed relief and certainty that promotes manufacturing competitiveness by adopting the following vital pro-growth policies:

- Restoring permanent full expensing of investments in new capital equipment and technology.
- Making the 20% Small Businesses Deduction Permanent.
- Providing Immediate and Full Expensing of Research and Development (R&D) Investments.
- Repealing the Death Tax.
- Preserving the Business Interest Deductibility.

## Message to Congress

AFS requests lawmakers to enact the Accelerate Long-Term Investment Growth Now (ALIGN) Act (H.R. 2406 / S. 1117) to reverse and suspend the phasedown of full expensing for new capital equipment.

- The ALIGN Act would permanently extend the 100% bonus depreciation tax provision and provide for full

and immediate expensing for investments in machinery, equipment, and technology, in the year the investment is made, rather than spreading the costs out over several years.

- Starting in 2023, businesses could only expense 80% of investments in new equipment, this year it has fallen to 60% in 2024, 40% in 2025, 20% in 2026 and will be eliminated completely in 2027.
- Bonus depreciation is an important tax savings tool for metalcasters that allows them to take an immediate deduction on the cost of eligible business property in the first year it's placed in service. This lowers a company's tax liability because it reduces its taxable income and ensures they can scale up their operations.
- 100% percent bonus depreciation will accelerate economic growth, create American jobs, improve productivity, and grow wages.

## Message to Congress

AFS urges Congress to enact the Main Street Tax Certainty Act (H.R. 4721 / S. 1706) which would make the 20% pass-through deduction permanent.

- The Main Street Tax Certainty Act would make permanent the 20% qualified business income deduction, Section 199A, enacted as part of the 2017 TCJA.
- Represents an important bipartisan, bicameral effort to ensure permanent tax relief for millions of employers organized as S corporations, sole proprietorships, and partnerships.
- Fosters tax parity between pass-through businesses and C corporations, but it is currently scheduled to sunset at the end of 2025. Many metalcasters are structured as pass-through entities and without this deduction, would face a competitive disadvantage to companies organized as C-Corporations.

- Its savings have helped metalcasters create jobs, raise wages, and grow.

## Message to Congress

AFS requests Congress to enact the American Innovation and R&D Competitiveness Act (H.R. 2673) & American Innovation and Jobs Act (S. 866) to restore immediate R&D expensing.

- These bipartisan bills will restore the ability of businesses to immediately deduct their R&D expenses and send a signal that our country values and supports domestic innovation.
- As of January 2022, businesses are no longer able to immediately deduct 100% of their R&D expenses, including wages, in the tax year that they are incurred. Instead, they are required to **amortize their R&D investments over five years**, which is a damaging departure from 70 years of businesses being able to immediately deduct 100% of their R&D expenses.
- The private sector accounts for more than 75% of total research and development spending.
- The U.S. is now one of only two developed countries **without immediate expensing for R&D**, making it too expensive for some manufacturers to invest in R&D.
- China provides a 200% "super deduction" for R&D expenses that amounts to 20 times the amount allowed in the U.S. tax code.
- Failing to reverse this change will cost well-paying jobs, push R&D overseas, and reduce future innovation-directed R&D.

## Message to Congress

AFS urges lawmakers to enact the Death Tax Repeal Act (H.R. 3075 / S. 1108) to stop small family businesses from being taxed at the death of small business owners.

- This bill will permanently eliminate the federal estate

and generation-skipping transfer taxes and encourages growth and opportunity for small businesses.

- While TCJA did not eliminate the death tax, the law reduced its impacts by doubling the individual estate and gift tax exclusion to \$10 million (\$12.9 million in 2023 terms) through 2025. As this provision nears expiration, passing the Death Tax Repeal Act is even more urgent.
- The death tax is a punitive tax which discourages savings and investments, reduces wages and job creation, and is the leading cause of dissolution for thousands of family-run businesses.
- When estate taxes on a family-owned business exceed cash and other liquid assets, surviving family partners are forced to sell buildings, land, or equipment needed to keep their businesses running.

## Message to Congress

AFS urges Congress to permanently reverse the harmful earnings before interest and taxes (EBIT)-based limitation and restore the Limited Interest Deduction on Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) for manufacturers to continue to invest for growth.

- Many manufacturers borrow funds to finance long-term investments in equipment and facilities, which in turn helps create jobs and improve competitiveness.
- At the beginning of 2022, a stricter limitation on the deductibility of the interest payments on business loans went into effect. It is now restricted to 30% of a company's earnings before interest and taxes (EBIT) rather than EBITDA. This serves as a tax increase.
- Switching from EBITDA to EBIT makes it more expensive for capital-intensive companies, including metalcasters, to invest and results in slower job creation, smaller wage increases and lower overall economic growth.
- The U.S. is now an international outlier on business interest deductibility, with no other developed country basing the deduction on EBIT.

For further information, contact:

### American Foundry Society

AFS Washington Office  
Stephanie Salmon  
202-452-7135 | [ssalmon@afsinc.org](mailto:ssalmon@afsinc.org)

### AFS Headquarters

1695 N. Penny Lane, Schaumburg, IL 60173  
847-824-0181 | [www.afsinc.org](http://www.afsinc.org)



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## 2024 POLICY PRIORITIES

# Fix the Broken Permitting Process

**I**t takes too long to build things in America. Projects to address critical needs for transportation, energy, water, broadband and other priorities find themselves stuck in a process filled with legal delays caused by America's outdated permitting system—threatening our economy and diminishing our global competitiveness.

Our nation's roads, bridges, ports, airports, water infrastructure, and more are seeing an injection of billions in federal dollars. Congress has made unprecedented investments to incentivize new resilient American infrastructure, with as much as \$2 trillion now available to fix our crumbling transportation infrastructure and reshore critical manufacturing.

Yet such projects are hampered by the outdated permitting process—keeping those investments on the sidelines and impeding necessary improvements. Typically, the permitting process for infrastructure projects lasts more than seven years on average – meaning constructing most of these projects may not begin until the next decade – at the earliest.

- **Energy:** As an energy intensive industry, metalcasters remain concerned that even projects to connect renewable energy to the grid by building electricity transmission infrastructure are subject to delays, with some projects taking a decade or more. Renewable and other emerging energy technologies face similar, steep permitting challenges. At the same time, metalcasters are concerned about the impact of data centers on the electric grid. Data centers are the backbone of the increasingly digital world, and they consume a growing share of the nation's electricity, with no signs of slowing down. McKinsey & Company predicts these operations will double their U.S. electric demands from 17 gigawatts in 2022 to 35 gigawatts by 2030 – enough electricity to power more than 26 million average homes.
- **Critical Minerals:** Demand for critical minerals is also at an all-time high. These critical minerals are used in everything from cell phone batteries and appliances


to wind turbines. Unfortunately, some 80 percent of these materials are produced, refined, and processed by China, raising serious questions about the stability and dependability of the supply chain. The Congress and the Biden administration have signaled support for further development of stable mineral supply chains on which our national security, economy and energy future rely, through tax incentives, loan programs and grants. But if we can't get a mine permitted, the money is irrelevant.

Our current complex and time-consuming permitting system stifles development and undermines American national security and energy security. For manufacturers, permitting reform is essential for our ability to compete in the global economy. If the nation wants more critical minerals for chip manufacturing, more domestic energy development and better highways, waterways, more manufacturing facilities based in the U.S. and jobs back home, then metalcasters need permitting reform now. Today, as we work to modernize our infrastructure and shore up our supply chains, the need for permitting reform is more urgent than ever.

### Message to Congress:

The American Foundry Society (AFS) urges lawmakers to enact meaningful, durable legislation to modernize our nation's outdated permitting processes in 2024.

While the manufacturing industry helped spur significant updates to the permitting process in 50 years as part of the debt ceiling agreement in 2023, there's much more to be done. We continue to work toward meaningful comprehensive reforms. While there are differing perspectives on how Congress should address the permitting challenge, there is consensus that a modernized permitting process requires:

- **Predictability:** Project developers and financiers must have an appropriate level of certainty regarding the scope and timeline for project reviews, including any related judicial review.
- 

- **Efficiency:** Interagency coordination must be improved to optimize public and private resources while driving better environmental and community outcomes.
- **Transparency:** Project sponsors and the public must have visibility into the project permitting milestones and schedule through an easily accessible public means.
- **Stakeholder Input:** All relevant stakeholders must be adequately informed and can provide input within a reasonable and consistent timeframe.

## Tell The House

AFS thanks the House lawmakers that supported passage in 2023 of the Lower Energy Costs Act (H.R. 1) to reform the nation's broken permitting and environmental review processes.

- The legislation would modernize our permitting reform process, ensure reliable, secure, and affordable domestic energy supplies, enhance energy security, and allow processing of America's critical minerals.
- It would speed up critical energy, infrastructure and manufacturing investments while continuing our commitment to environmental stewardship.
- Our economy is being challenged by threats from around the world, which means now is the time to strengthen our energy security and expand domestic manufacturing to reduce our dependence on bad actors and ensure we can support our allies.

## Tell The Senate

AFS is urging the Senate to cosponsor and support passage of the following bills to streamline the permitting process and bolster manufacturers competitiveness in America.

- **Spur Permitting of Underdeveloped Resources (SPUR) Act (S. 1456)**, to bolter which includes the following key provisions:
  - Increases domestic energy and mineral development and ensures federal lands remain open to productive uses.
  - Streamlines permitting of energy infrastructure.
  - Directs the U.S. Geological Survey to consider projected declines in U.S. production of a mineral when evaluating whether a mineral should be considered a "critical mineral."
  - Requires an environmental impact statement under NEPA to be completed within two years and an environmental assessment to be completed within one year for mineral projects.
  - Requires lawsuits against permits/licenses for mining projects to be filed within 60 days.
- **Revitalizing the Economy by Simplifying Timelines and Assuring Regulatory Transparency (RESTART) Act (S. 1449)**, which will:
  - Establish time limits to prevent endless legal battles, requiring courts to process NEPA challenges and issue a final judgment within 180 days.
  - Enact a stricter statute of limitations for filing court challenges to NEPA documents and instructs courts to set deadlines for agency action.
  - Allow projects to advance if an agency misses a deadline without threat of judicial review.
  - Shortens timelines for consultations under the Endangered Species Act (ESA), makes process more efficient, and allows states to take over administration of consultations.
  - Apply Clean Air Act policy review process to legislation, not projects or regulations.

For further information, contact:

### American Foundry Society

AFS Washington Office  
Stephanie Salmon  
202-452-7135 | [ssalmon@afsinc.org](mailto:ssalmon@afsinc.org)

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# Modernize America's Workforce Development System

**A**ttracting and retaining talent is the primary business challenge for the metalcasting industry indicated by over 65% of respondents in the American Foundry Society's (AFS) outlook survey for the first quarter of 2024. There is not just a skills gap, but also a shortage of potential candidates applying for open positions from entry-level associates to skilled production workers to engineers.

For the U.S. metalcasting industry to continue to innovate and remain competitive, companies need the right workers with the right skills. Workforce development, training, and upskilling are necessary tools for employers to provide high-paying, skilled jobs in their communities.

An estimated 3.8 million manufacturing jobs will need to be filled between 2024 and 2033, according to a recent study from Deloitte and The Manufacturing Institute. And, around half of these open jobs (1.9 million) could remain unfilled if manufacturers are not able to address the skills gap and the applicant gap.

Workforce development, training, and upskilling are necessary tools for employers to provide good-paying manufacturing jobs in their communities. Policymakers should work to fix the nation's workforce development system to better prepare workers for in-demand careers and strengthen the economy and U.S. global competitiveness.

## Message to Congress

AFS urges Congress to enact the following bills to boost workforce development and skills training:

- **Freedom to Invest in Tomorrow's Workforce Act (H.R. 1477/S. 722)**

The bipartisan, bicameral bill expands the eligible uses of 529 tax-advantaged education savings account funds to cover costs associated with workforce training and credentialing programs.

- American workers could use their 529 plans to help cover: certificate program tuition, including prep-courses, testing and examination fees; required books and equipment; continuing education and certification renewal; and, other charges required to obtain and maintain a certification.
- It provides valuable tax-advantaged resources for workers who pursue career growth, mid-career changes or alternative career pathways.

To cosponsor the Freedom to Invest in Tomorrow's Workforce Act, contact Max Hurst, [max\\_hurst@klobuchar.senate.gov](mailto:max_hurst@klobuchar.senate.gov) – office of Sen. Amy Klobuchar (D-Minn), or Will Sroka, [will.sroka@mail.house.gov](mailto:will.sroka@mail.house.gov) – office of Rep. Rob Wittman (R-VA).

- **Skills Investment Act (H.R. 7517/S. 3816)**

Bipartisan legislation would allow workers to use tax-advantaged savings accounts to pay for skills training, career-related learning, adult education, and professional development throughout an account holder's lifetime. It would:

- Eliminate the age-based contribution limit on Coverdell Education Savings Accounts (ESAs)—tax advantaged savings accounts for educational expenses and expand the scope of allowable distributions to cover a broad array of career and technical education services.
- These savings accounts would now be eligible for pretax contributions and mid-career workers would be allowed to contribute up to \$4,000 tax-free each year, with a maximum contribution limit of \$10,000.
- Employers would receive a 25% tax credit for contributions to a worker's account.



To cosponsor the Skills Investment Act, contact or Matthew Clarkin, [matthew.clarkin@mail.house.gov](mailto:matthew.clarkin@mail.house.gov), office of Rep. Brian Fitzpatrick (R-PA), or Heather Painter [heather.painter@mail.house.gov](mailto:heather.painter@mail.house.gov), office of Rep. Derek Kilmer (D-WA)

- **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.

- Congress should 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. Currently, the grants can only be used for programs with a 15-week minimum.

- It would boost opportunities for students and workers to quickly acquire skills and earn short-term credentials to advance their careers.

- **Expand Tax Credits for Employers that Provide Training to Employees**

- Generally, at the company level, only education expenses which improve worker skills for their current positions are deductible. If the education would qualify workers for a new type of work, the expenses are not deductible.

For further information, contact:

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