



AFS Talking Points Government Affairs Fly-In

Congressional Meetings – June 2024

Meeting with your Members of Congress and/or their staff is an important way for metalcasters to communicate with policymakers on the importance of the U.S. metalcasting industry to the economy and national security, as well as our key priority issues. Visiting our lawmakers enables you to educate them, serve as a resource, and establish a relationship that can prove mutually beneficial over time. The following outline will help prepare you when you walk through the door for your congressional meetings on **Wednesday, June 12, during AFS Metalcasters Week in D.C.**

Overview for Your Hill Meetings

I. PRE-MEETING

1. Review the industry position papers [posted on the AFS website](#). These will also be provided in the industry folder you will receive at registration.
2. **Learn as much as you can about your legislator's background.** For example, determine the congressional committees on which he or she serves, and review personal facts such as hometown, education, and profession before becoming lawmaker. Visit the website of your lawmakers (www.house.gov or www.senate.gov) to review bios, press releases, and bills sponsored. Also, check out recent news articles online regarding your lawmaker.
3. **Be prepared to talk about the critical investments to your plant and workforce, as well as challenges you are facing** in the current economic climate, including expansions, slowdowns, or cutbacks. Lawmakers are interested in hearing about your energy costs, trade concerns, labor shortages, supply chain disruptions, access to capital, and burdensome regulations.
4. **Be prepared to talk about the critical castings you produce** and the key markets and customers you supply to. Of particular interest is those being used in infrastructure and energy projects, transportation, as well as for national defense.
5. **Be prepared to talk about the challenge of finding qualified workers and dealing with workforce shortages.** You can highlight the number of jobs you need to fill, engagement with community colleges, technical and high schools, apprenticeship and/or training programs, and compensation packages to secure workers

II. LOGISTICS

1. At the meeting, **coordinate with AFS members and suppliers from your state and divide up speaking roles during the afternoon breakout session on June 11th from 4:00 to 4:30 p.m.**

It is always a good idea to exchange cellphone numbers with your other members of your state group.

2. **Bring business cards** and **wear your AFS name badge** to your congressional meetings.
3. **Have a few pictures of the castings** your facility produces **on your cell phone** and describe the industry sectors you supply to.
4. **Allow time to go through security and to get to your meetings.** The lines for security can be long. Remember, congressional buildings have more than one entrance, so be sure to reference the House and Senate floor plan maps in your congressional directory you will receive at Registration. [Also, see map below.]
5. **Expect to spend no more than 15-20 minutes** per meeting.
6. **Do not start your meeting early.** Please wait for other members of your delegation to show up at the appointed time.
7. **Space on Capitol Hill is at a premium**, particularly in the House of Representatives, so your meeting could occur in the reception area of the office, or in the hallway.



Sources: Architect of the Capitol, National Journal Research.

III. OPENING OF THE CONGRESSIONAL MEETING

1. **Thank the Member of Congress and/or staff** for taking time to meet.
2. **NEVER discuss or make a campaign contribution** when meeting with your lawmakers. In fact, don't mention political contributions at all.
3. **Prepare a one- to two-minute brief introduction of yourself and/or your group.** Then allow the group to introduce themselves and where they are from. **Provide a general overview of your company** (number of employees, what your facility produces, industries supplied, and new equipment or technology investments). The complete opening remarks should take no more than 3-5 minutes. This will allow time for the Member and/or staff to talk and ask questions.
4. **Ask staff which issue areas they handle** and match those to the AFS priority issues and your discussion. For example, do not speak about tax issues if the staffer handles environmental and energy issues.

5. **Make a personal connection** with the staff. Find out where they went to college, where they grew up, what state they are from, some staffers relative, and/or length of time on the Hill.

IV. DESCRIBE THE IMPORTANCE OF THE METALCASTING INDUSTRY

1. Overview of Industry

- **1,725** — Number of operating metalcasting facilities in 49 states
- **Nearly 490,000** — Number of people employed by the U.S. metalcasting industry.
- **Generates \$110.52 billion in economic output** when considering the direct and indirect induced impacts and **\$10.59 billion in federal, state, and local taxes annually.**
- **75% — Percentage of firms that are small businesses** (fewer than 100 employees).
- **90 percent** of all manufactured goods contain some metal castings.
- The U.S. is the **global leader** in casting applications and third in production behind China and India.
- The U.S. metalcasting industry maintains a strong footing in the national defense, energy, and power generation markets, automotive, transportation, medical, and water infrastructure, as well as the construction, industrial, and agricultural sectors.

2. Producing American-made, highly engineered castings with quality craftsmanship.

- Buy America puts U.S. tax dollars right back into American workers, companies, and communities. That creates jobs, boosts our economy, and strengthens American manufacturing. This boost is part of a chain reaction that leads to more investments, increased tax revenue, and job opportunities.
- Highlight importance of the federal government being required to buy American made with its own purchases.
- **Every dollar of manufacturing economic activity returns \$1.35 of indirect economic activity** (per the U.S. Bureau of Economic Analysis). This is the highest return compared to any other sector of the economy.

3. Share your facility's good news story, such as new capital investments, new equipment, implementation of new technology, increased sales due to increased federal funding for infrastructure projects or other programs, higher wages, sustainability projects, and community outreach programs.

V. REVIEW THE INDUSTRY PRIORITY ISSUES

- **Be brief and clear.** Cover only a few topics and stick to the **priority issues that are relevant to the staffer's responsibilities.**
- Be sure to politely ask your lawmaker to do something! For example, "I hope you'll cosponsor and support passage of ..." Be sure to **thank your lawmaker if they have cosponsored a bill as part of the industry priority issues.**
- **Personalize the issue.** Give examples of how the issue affects your business and your legislator's constituents. Always have one good example.

- **Look for common ground and respect their point of view**, even if it is contrary to yours.

VI. OVERVIEW OF AFS' 2024 PRIORITY ISSUES

1. PRIORITY ISSUE - Fighting Overregulation

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

▪ **EPA's 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.

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 be subject to stringent regulatory requirements. They could 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.
- The rule will **hinder onshoring** and result in encouraging manufacturing abroad – which is more polluting than manufacturing in the U.S.
- 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 for the energy sector to achieve the EPA's mandates. A more balanced regulatory framework is needed.

Status: Industry trade groups and attorneys general from 27 U.S. states and sued the EPA in the U.S. Court of Appeals for the District of Columbia Circuit on May 9, 2024.

▪ **EPA's 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. energy infrastructure.

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.

- **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 took 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 declare the rule unlawful, postpone enforcement of the rule, and vacate the regulation.

Tell Congress: Protect U.S. Manufacturers 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.

2. **PRIORITY ISSUE – Combat Trade Cheats**

China 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. 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 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.

Tell 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:

- **Fighting Trade Cheats Act (H.R. 2667/S. 805)** – Bill 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 U.S.
- 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)** – 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 the Commerce Department to:
 - Apply countervailing duty law to subsidies provided by a foreign government or public entity to a company operating in a third country.
 - 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.

3. **PRIORITY ISSUE - Restore a Pro-Growth Tax Code**

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.

The passage of the 2017 Tax Cuts and Jobs Act (TCJA) has allowed manufacturers and U.S. metalcasters to make critical investments in their plants and employees. However, significant tax law changes embedded in the TCJA are leaving many metalcasters and their suppliers with higher federal income tax bills. If Congress does not reverse course, these changes will lead to **significantly higher tax burdens**. That means fewer jobs and opportunities for manufacturing workers and their families.

Tell Congress: AFS urges lawmakers to cosponsor and support passage of the following pro-growth tax bills to boost U.S. manufacturing competitiveness and innovation:

- **Accelerate Long-Term Investment Growth Now (ALIGN) Act (H.R. 2406 / S. 1117)** – Makes permanent the 100 percent bonus depreciation provision of the 2017 TCJA that allowed businesses to immediately and fully deduct costs associated with the purchase of capital assets, including manufacturing equipment.
- **Main Street Tax Certainty Act (S. 1706)** – Makes the 20% pass-through deduction permanent. Metalcasters organized as S-Corporations have benefited from this 20% pass-through business tax deduction, using the funds to invest in employees, benefits,

and their plants. It will expire at the end of 2025 and would result in a massive tax hike for metalcasters that are structured as pass-through entities.

- **American Innovation and R&D Competitiveness Act (H.R. 2673) & American Innovation and Jobs Act (S. 866)** – Restores the immediate deductibility of R&D expenses. The U.S. is one of just two developed nations that requires the amortization of R&D expenses and given that China provides a 200 percent super-deduction for R&D investments, it simply makes no sense to impose this limitation on manufacturers in the U.S.
- **Death Tax Repeal Act (S. 1108)** – Permanently repeals the federal estate tax and ends this purely punitive tax. It will expire at the end of 2025.

4. **PRIORITY ISSUE- Fix the Broken Permitting Process**

It 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. 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.

Tell Congress: 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. 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.

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.

Senate: AFS urges support passage of permitting reform in 2023, including the key provisions contained in the following bills: Spur Permitting of Underdeveloped Resources (SPUR) Act (S. 1456) and Revitalizing the Economy by Simplifying Timelines and Assuring Regulatory Transparency (RESTART) Act (S. 1449).

5. **PRIORITY ISSUE - Modernize America's Workforce Development System**

Attracting and retaining talent is a 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.

Tell 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 bill expands the eligible uses of 529 tax-advantaged education savings account funds to cover costs associated with workforce training and credentialing programs.
- **Skills Investment Act (H.R. 7517/S. 3816)** - 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:
 - Expand the scope of allowable distributions to cover a broad array of career and technical education services.
 - Employers would receive a 25% tax credit for contributions to a worker's account.
- **Expand Tax Credits for Employers that Provide Training to Employees** – 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.

VII. CLOSING THE MEETING

1. **Thank the lawmaker and/or staff** for their time.
2. **Take a picture with your member of Congress at the END of your meeting and share photos with AFS** – email to ssalmon@afsinc.org – to be posted on the AFS website.
3. **Leave behind the industry folder** with drop off pieces and be sure to obtain staff business cards to use for follow-up.

VIII. FOLLOW-UP

1. Contact the AFS Washington if follow-up is required from your Congressional meetings – ssalmon@afsinc.org
2. **Email a Thank You Letter** and re-emphasize key points you discussed during the meeting. Be sure to provide any additional information you may have promised and send a copy of any pictures taken with the legislator. A sample thank you letter will be posted on the AFS website.
3. **Stay in touch with your congressional offices.** Email positive news stories about your company.
4. **Host a plant tour** with your lawmaker, their staff, and/or their district director. Lawmakers will be on recess and back in the state the week of July 4th, the entire month of August, and some days in September. AFS can assist with arranging plant tours.
5. **Invite your lawmaker to an AFS Chapter meeting or host a roundtable discussion** with your lawmaker and include local foundries and industry suppliers. AFS can assist with a draft invitation.

If you have any questions, please contact Stephanie Salmon, AFS Washington Office
202-452-7135 or ssalmon@afsinc.org