AMERICAN FOUNDRY SOCIETY 2025 POLICY PRIORITIES

U.S. Metalcasting Week in Washington, D.C. – June 10-11, 2025

COMBAT TRADE CHEATS

Trade cheating remains a significant threat to U.S. manufacturing and its workers. Importers are continuing to find illegal ways to circumvent and evade U.S. tariffs and trade remedy orders. These illicit practices result in significant losses in tariff revenue for the U.S. government annually, and place U.S. metalcasters at both competitive and financial disadvantages.

As U.S. tariffs on foreign products have increased sharply in recent months, so have the incentives for companies to find ways around them. Some companies may be dodging tariffs by altering the information about the shipments that is given to the U.S. Customs to qualify for a lower tariff rate. Or they may move the goods to another country that is subject to a lower tariff before shipping them to the U.S. The U.S. metalcasting industry calls on Congress to a) allocate more resources for combating transshipment, circumvention, and evasion of trade remedy orders, and b) pass legislation that increases criminal penalties for trade crimes.

REBALANCE REGULATIONS TO STRENGTHEN MANUFACTURING

U.S. metalcasters are facing unprecedented headwinds in the form of costly and unworkable regulations which divert capital from job creation, investment, and growth, harming their ability to expand here at home and be competitive against our foreign competitors. Manufacturers are spending $350 billion annually to comply with federal regulations, with small U.S. manufacturers incurring the highest costs at $50,100 per employee.

AFS looks forward to working with the Administration and Congress to rebalance and reconsider burdensome federal regulations including the previous administration's unworkable PM2.5 NAASQs rule, which will result in diminished investment as many metalcasters would be placed in nonattainment areas, the power plant rule which threatened grid reliability by creating an unrealistic timeline for power plants to adopt emissions-reduction technologies that are unproven at scale, as well as OSHA's proposed inflexible workplace heat standard.

RESTORE PRO-GROWTH TAX POLICY

The pro-growth tax policies implemented under the 2017 Tax Cuts and Jobs Act (P.L. 115-97) have enabled the U.S. metalcasting industry to expand their facilities, create jobs, raise wages, fund research and development, purchase new equipment, and invest in their communities, while growing the national economy.

The recent House budget reconciliation package includes critical modifications to the expiring 2017 provisions which are vital to the economic success of American metalcasting. They include increasing the pass-through deduction to 23%, full expensing for capital equipment purchases, extending immediate R&D expensing, and a pro-growth standard for interest deductibility for the years 2025-2029. Failing to preserve tax reform in its entirety and in increase in taxes will force manufacturers to reduce domestic investments and harm the industry's competitiveness.

ENERGY ACCESSIBILITY AND RELIABILITY

U.S. metalcasters are key suppliers to the energy sector, providing critical castings for power generation, energy transmission and distribution, refining, oil and gas processing, pipelines, nuclear facilities, hydroelectric power plants, and other energy-related infrastructure. As an energy intensive industry, the U.S. metalcasting industry is genuinely concerned about the rising energy demand from data centers which could further overburden the nation's aging power infrastructure.

There is a pressing need for federal lawmakers to use all policy levers available to ensure sufficient, resilient, reliable, and affordable energy for all users. It will require key policies such as comprehensive permitting reform, increased domestic production and processing of critical materials and minerals, and building out natural gas infrastructure to shore up reliability. Together, these actions address our energy demands and critical supply chain challenges, particularly as the AI-driven economy continues to grow.

MODERNIZE AMERICA'S WORKFORCE DEVELOPMENT SYSTEM

In today's rapidly evolving economy, our nation needs an effective workforce-development system more than ever. Metalcasters continue to struggle to find workers with the requisite skills necessary to fill the available jobs, especially entry-level production positions, as well as skilled production workers including engineers and machine operators.

This shortage is driven by a skills gap, a lack of applicants, and challenges in retaining talent. Nearly half of U.S. metalcasting companies reported that one of their top 3 challenges is attracting and retaining workforce talent, according to a survey conducted by AFS earlier this year. To address the skills gap, U.S. metalcasters are focusing on improving workers' skills development, training programs, and investments in technology. AFS urges Congress to prioritize high-quality skills training, sector partnerships, and expanded outcome measures.

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 or contact Stephanie Salmon, AFS Washington Office, ssalmon@afsinc.org.

2025 POLICY PRIORITIES

Combat Trade Cheats

Trade cheating remains a significant threat to U.S. manufacturing and its workers. Traders and importers are continuing to find illegal ways to circumvent and evade U.S. tariffs and trade remedy orders. These illicit practices result in significant losses in tariff revenue for the U.S. government annually, and place U.S. metalcasters at both competitive and financial disadvantages.

The American Foundry Society (AFS) urges Congress to enact several important measures (outlined below) to crack down on these practices.

Tariff Dodging

The U.S. government charges tariffs based on the item, its declared dollar value, its country of origin, and where the good was last manufactured. Numerous schemes exist that importers utilize to try to evade U.S. tariffs such as:

- Reporting a lower value for a product than their actual worth. Doing so lowers the tariff that must be paid since it's charged as a percentage of the import price.
- Misclassifying the item to qualify for a lower tariff.
- Transshipping by routing Chinese products through another country before they are sent to the United States to benefit from lower tariff rates applied to those countries.

Since the Trump administration started putting tariffs on Chinese imports in his first term, the volume of Chinese products, parts and raw materials exported to other countries before coming to the U.S. has increased substantially. In April, Chinese exports to the U.S. decreased by 21 percent compared to the previous year, while exports from China to Southeast Asian countries increased by the same percentage.

Often, Chinese exports are finding their way to the U.S. primarily through Southeast Asia and Mexico.

- China's container exports to Mexico rose nearly 60% year-over-year in January 2025, according to data compiled by Xeneta.[1]
- More than 3,000 companies in Mexico depended on Chinese shipments for 75 percent or more of their supply chain. In fact, many of these companies are subsidiaries of Chinese state-owned enterprises, and primarily sell products to the United States, based on a report from the analytics firm Exiger.[2]

In addition, China continues to engage in widespread subsidies and unfair non-market practices that harm American metalcasters. China's enormous state support for manufacturing fosters overcapacity that brings prices down so low, making it impossible for American metalcasters to compete in many sectors. Trade cheating continues to be a serious threat to American industry and workers.

Bad actors have become increasingly adept at forming multiple shell companies with no assets to serve as the importers of record, often with the same principals and affiliates. This sets up a continuing game of "whack-a-mole" that U.S Customs and Border Protection (CBP) and the Department of Justice, with their limited resources, are inadequately equipped to fight back.

---

[1] Weekly Container Rate Update I Week 11 '24 - Intriguing evolution of China trades into Mexico and US west coasts, P. Sand, March 14, 2025, https://www.xeneta.com/blog/weekly-container-rate-update-l-week-11-24-intriguing-evolution-of-china-trades-into-mexico-and-us-west-coasts

[2] "Trump's Tariffs Drive a Rise in Trade Crime," A Swanson and L. Gamio. The New York Times, https://www.nytimes.com/2025/05/27/business/economy/trump-tariffs-trade-crime.html?searchResultPosition=1

Increased Enforcement Needed to Crack Down on Trade Cheaters

The U.S. metalcasting industry calls on Congress to a) allocate more resources for combating transshipment, circumvention, and evasion of trade remedy orders and b) pass legislation that increases criminal penalties for trade crimes. We recommend the following trade policy actions to crack down on as trade fraud soars:

- Support enactment of trade remedy legislation such as the Fighting Trade Cheats Act Leveling the Playing Field Act 2.0 and Protecting American Industry and Labor from International Trade Crimes Act that bolsters U.S. trade law enforcement against repeat offenders and serial trade cheaters.
- Support the Safeguarding Transit Operations to Prohibit (STOP) China Act to close a loophole to prevent the U.S. government from buying buses and rail cars made by Chinese-controlled companies, ensuring American taxpayer dollars are invested in American manufacturers.
- Support tariff exclusions required for vital materials and inputs for metal castings – Tariffs on manufacturing and defense inputs that are unavailable domestically or in sufficient quantity will lead to higher costs for U.S. metalcasters, affecting our competitiveness and national security. An April 2 executive order specifically exempts "certain critical minerals". AFS supports the mineral exemptions to maintain access to the raw materials needed for domestic manufacturing, as well as other critical inputs.

Message to Congress

The U.S. metalcasting industry is the backbone of the manufacturing economy. Metal castings are used to produce 90 percent of all manufactured durable goods and nearly all manufacturing machinery in the United States. It is a $50 billion industry and supports nearly a half a million U.S. jobs. The industry is central to a growing economy, modern infrastructure, and national defense. Yet these metalcasters faces significant challenges due to the number of foreign unfair trade practices that have caused repeated surges of dumped and subsidized imports into the U.S. market.

The American Foundry Society (AFS) urges lawmakers to strengthen our trade laws by cosponsoring and supporting passage of the following bipartisan bills:

Fighting Trade Cheats Act (H.R. 1284)

A bill to 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. Specifically, the bill:

- 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.

Fighting Trade Cheats Act of 2025 (H.R. 1284) - 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. Mark Alford (R-MO-4)
Rep. Troy Balderson (R-OH-12)
Rep. Sanford Bishop (D-GA-2)
Rep. Mike Bost (R-IL-12) *
Rep. Nikki Budzinski (D-IL-13)
Rep. Mike Carey (R-OH-15)
Rep. Chris Deluzio (D-PA-17)
Rep. Chuck Edwards (R-NC-11)
Rep. Lance Gooden (R-TX-5)
Rep. Richard Hudson (R-NC-9)
Rep. Raja Krishnamoorthi (D-IL-8)
Rep. Carol Miller (R-WV-1)
Rep. John Moolenaar (R-MI-2)
Rep. Nathaniel Moran (R-TX-1)
Rep. Frank Mrvan (D-IN-1)
Rep. Greg Murphy (R-NC-3)
Rep. Gary Palmer (R-AL-6)
Rep. Jimmy Panetta (D-CA-19)
Rep. Mike Rogers (R-AL-3)
Rep. Terri Sewell (D-AL-7)
Rep. Mikie Sherrill (D-NJ-11)
Rep. Dale Strong (R-AL-5)
Rep. Claudia Tenney (R-NY-24)
Rep. Beth Van Duyne (R-TX-24)

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). Note – The Senate companion bill expected to be introduced shortly.

Leveling the Playing Field Act 2.0 (H.R. 3882 / S. 1856)

Legislation 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. It authorizes the U.S. Department of Commerce 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.
- Provide authority for Commerce to investigate currency undervaluation as a countervailable subsidy.

Leveling the Playing Field Act 2.0 (H.R. 1548) - Urge your House lawmakers to co-sponsor and support passage. Thank the following 55 House lawmakers for co-sponsoring::

Rep. Robert Aderholt (R-AL-4)
Rep. Troy Balderson (R-OH-12)
Rep. Jack Bergman (R-MI-1)
Rep. Mike Bost (R-IL-12)
Rep. Robert Bresnahan (R-PA-8)
Rep. Shontel Brown (D-OH-11)
Rep. Nikki Budzinski (D-IL-13)
Rep. André Carson (D-IN-7)
Rep. Juan Ciscomani (R-AZ-6)
Rep. Rick Crawford (R-AR-1)
Rep. Don Davis (D-NC-1)
Rep. Monica De La Cruz (R-TX-15)
Rep. Rosa DeLauro (D-CT-3)
Rep. Chris Deluzio (D-PA-17)
Rep. Debbie Dingell (R-MI-6)
Rep. Chuck Edwards (R-NC-11)
Rep. Brad Finstad (R-MN-1)
Rep. Jared Golden (D-ME-2)
Rep. Ashley Hinson (R-IA-2)
Rep. Chrissy Houlahan (D-PA-6)
Rep. Val Hoyle (D-OR-4)
Rep. Hank Johnson (D-GA-4)
Rep. Marcy Kaptur (D-OH-9)
Rep. Thomas Kean (R-NJ-7)
Rep. Mike Kelly (R-PA-16)
Rep. Robin Kelly (D-IL-2)
Rep. Ro Khanna (D-CA-17)
Rep. Raja Krishnamoorthi (D-IL-8)
Rep. Summer Lee (D-PA-12) Rep. Morgan McGarvey (D-KY-3)
Rep. Dan Meuser (R-PA-9)
Rep. Carol Miller (R-WV-1)
Rep. John Moolenaar (R-MI-2)
Rep. Riley Moore (R-WV-2)
Rep. Tim Moore (R-NC-14)
Rep. Frank Mrvan (D-IN-1)
Rep. Troy Nehls (R-TX-22)
Rep. Donald Norcross (D-NJ-1)
Rep. Mike Rogers (R-AL-3)
Rep. Mike Rulli (R-OH-6)
Rep. John Rutherford (R-FL-5)
Rep. Hillary Scholten (D-MI-3)
Rep. Terri Sewell (D-AL-7) *
Rep. Mikie Sherrill (D-NJ-11)
Rep. Jefferson Shreve (R-IN-6)
Rep. Pete Stauber (R-MN-8)
Rep. Elise Stefanik (R-NY-21)
Rep. Emily Sykes (D-OH-13)
Rep. Shri Thanedar (D-MI-13)
Rep. Dina Titus (D-NV-1)
Rep. Mike Turner (R-OH-10)
Rep. Beth Van Duyne (R-TX-24)
Rep. Marc Veasey (D-TX-33)
Rep. Maxine Waters (D-CA-43)
Rep. Joe Wilson (R-SC-2)

To cosponsor the Leveling the Playing Field Act 2.0 (H.R. 1548) contact: Ian McPhearson, ian.mcphearson@mail.house.gov, Office of Rep. Van Duyne (R-TX), or Rob Nuttall, robert.nuttall@mail.house.gov, Office of Rep. Sewell (D-AL)

Leveling the Playing Field Act 2.0 (S. 691) - Urge your Senator to co-sponsor and support passage. Thank the following 17 Senators for co-sponsoring:

Sen. Tammy Baldwin (D-WI)
Sen. Jim Banks (R-IN)
Sen. Katie Britt (R-AL)
Sen. Tom Cotton (R-AR)
Sen. John Fetterman (D-PA)
Sen. Ruben Gallego (D-AZ)
Sen. Kirsten Gillibrand (D-NY)
Sen. Lindsey Graham (R-SC)
Sen. Amy Klobuchar (D-MN)
Sen. Bernie Moreno (R-OH)
Sen. Eric Schmitt (R-MO)
Sen. Elissa Slotkin (D-MI)
Sen. Tina Smith (D-MN) *
Sen. Tommy Tuberville (R-AL)
Sen. Elizabeth Warren (D-MA)
Sen. Roger Wicker (R-MS)
Sen. Todd Young (R-IN) *

To cosponsor the Leveling the Playing Field Act 2.0 (S. 691) contact: Burke Miller, burke_miller@young.senate.gov, office of Senator Todd Young (R-IN), or Omair Taher, omair_taher@smith.senate.gov, Office of Sen. Tina Smith (D-MN

Protecting American Industry and Labor from International Trade Crimes Act of 2025 (H.R. 1869)
Bipartisan legislation which will strengthen enforcement by the U.S. Department of Justice (DOJ) against trade-related crimes. It would require the DOJ to:

- Establish a task force within the DOJ to combat China's trade crimes and protect American workers and manufacturers.
- Authorize $20 million in funding for fiscal year 2026 to support the task force.
- Provide training and technical assistance to other federal, state, and local law enforcement agencies, expanding investigations and prosecutions, and allowing for parallel criminal and civil enforcement actions.
- Submit an annual report to Congress assessing the DOJ's efforts, statistics on trade-related crimes, and fund utilization.

Protecting American Industry and Labor from International Trade Crimes Act (H.R. 1869) - Urge your House lawmakers to co-sponsor and support passage. Thank the following 40 House lawmakers for co-sponsoring:

Rep. Sanford Bishop (D-GA-2)
Rep. Suzanne Bonamici (D-OR-1)
Rep. Nikki Budzinski (D-IL-13)
Rep. Andre Carson (D-IN-7)
Rep. Kathy Castor (D-FL-14)
Rep. Juan Ciscomani (R-AZ-6)
Rep. Ben Cline (R-VA-6)
Rep. Herb Conaway (R-NJ-3)
Rep. Luis Correa (D-CA-46)
Rep. Don Davis (D-NC-1)
Rep. Rosa DeLauro (D-CT-3)
Rep. Chris Deluzio (D-PA-17)
Rep. Debbie Dingell (D-MI-6)
Rep. Brad Finstad (R-MN-1)
Rep. Carlos Ginenez (R-FL-28)
Rep. Josh Gottheimer (D-NJ-5)
Rep. Clay Higgins (R-LA-3)
Rep. Ashley Hinson (R-IA-2) *
Rep. Glenn Ivey (D-MD-4)
Rep. Mike Kelly (R-PA-16)
Rep. Kevin Kiley (R-CA-3)
Rep. Ro Khanna (R-CA-17)
Rep. Raja Krishnamoorthi (D-IL-8)
Rep. Darin LaHood (R-IL-16)
Rep. Susie Lee (D-NV-3)
Rep. Ted Lieu (D-CA-36)
Rep. John Moolenaar (R-MI-2)
Rep. Nathaniel Moran (R-TX-1)
Rep. Seth Moulton (D-MA-6)
Rep. Frank Mrvan (D-IN-1)
Rep. Dan Newhouse (R-WA-4)
Rep. Donald Norcross (D-NJ-1)
Rep. Zach Nunn (R-IA-3)
Rep. Deborah Ross (D-NC-2)
Rep. Mike Rulli (R-OH-6)
Rep. Haley Stevens (D-MI-11)
Rep. William Timmons (R-SC-4)
Rep. Jill Tokuda (D-HI-2)
Rep. Ritchie Torres (D-NY-15)
Rep. Rob Wittman (R-VA-1)

To cosponsor, the Protecting American Industry and Labor from International Trade Crimes Act (H.R. 1869) contact: Nick Bowser, nick.bowser@mail.house.gov, office of Rep. Ashley Hinson (R-IA)

Safeguarding Transit Operations to Prohibit China Act or STOP China Act - (S. 1711)

This bipartisan bill closes a loophole that Chinese government-owned and -subsidized vehicle and transit companies are exploiting to win government contracts for rail cars and transit buses. A prohibition on Federal Transit Administration funding for transit equipment was part of the fiscal 2020 appropriations law, but China continues to obtain business through other forms of funding. The measure broadens the funding prohibition by:

- Requiring the United States Trade Representative and U.S. Attorney General release a list of restricted entities headquartered in or affiliated with China.
- Bars the use of U.S. Department of Transportation funding for the purchase of railcars and buses built by companies associated with the Chinese government.

STOP China Act (S.1711)
Urge your Senator to co-sponsor and support passage. Thank the following 9 Senators for co-sponsoring:

Sen. Tammy Baldwin (D-WI) *
Sen. Marsha Blackburn (R-TN)
Sen. Shelley Moore Capito (R-WV)
Sen. John Cornyn (R-TX) *
Sen. Gary Peters (D-MI)
Sen. Pete Ricketts (R-NE)
Sen. Rick Scott (R-FL)
Sen. Tina Smith (D-MN)
Sen. Dan Sullivan (R-AK)

To cosponsor, the STOP China Act (S.1711) contact: Josh Gohlke, josh_gohlke@cornyn.senate.gov, office of Senator John Cornyn (R-TX), or Ben Thomas, ben_thomas@baldwin.senate.gov, office of Senator Tammy Baldwin (D-WI). Note: Reps. Rick Crawford (R-Ark.) and John Garamendi (D-Calif) are leading the companion legislation in the House which is expected to be introduced shortly.

For further information, contact: American Foundry Society
AFS Washington Office
Stephanie Salmon202-452-7135 I ssalmon@afsinc.org

AFS Headquarters
1695 N. Penny Lane, Schaumburg, IL 60173
847-824-0181 I www.afsinc.org

ADVOCATE. EDUCATE. INNOVATE.

Rebalance Regulations to Strengthen Manufacturing

Rebalancing regulations is critical to the U.S. metalcasters. They are facing unprecedented headwinds in the form of costly and unworkable regulations which divert capital from job creation, investment, and growth, harming metalcasters' ability to expand here at home and be competitive against our foreign competitors. This regulatory overreach stifles growth and innovation.

Background

Manufacturers are spending $350 billion each year to comply with federal regulations. The cumulative cost of regulations finalized during the Biden administration exceeded $1.8 trillion. This money could be spent on expanding factories and production lines, investing in new equipment, hiring new workers, or raising wages and benefits.

In response to the President's call for industry input on a new era of balanced, sensible and pro-growth regulations, the National Association of Manufacturers, in coordination with a coalition of companies and associations, including the American Foundry Society (AFS), submitted recommendations [1] to key federal agencies highlighting over three dozen burdensome and outdated regulations that are driving up costs and undermining manufacturing competitiveness.

Total Cost of Federal Regulations - Exceeds $3 Trillion Annually

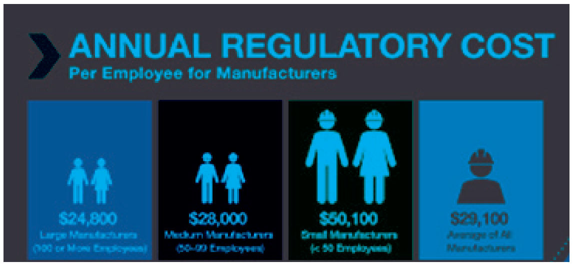
The annual cost of complying with federal regulations has risen by $465 billion since 2012 and now totals over $3 trillion in 2022 (12% of U.S. GDP) according to a study, the Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business. [2] In the manufacturing sector alone, companies now spend $350 billion to comply with the growing number of environmental, economic, tax, and occupational safety, health and homeland security regulations affecting their business operations.

The burden continues to grow year after year, undermining the bipartisan achievements from Congress that have prioritized manufacturing.

- The average manufacturer in the U.S. pays over $29,000 per employee per year for regulatory costs.
- Small U.S. manufacturers, or those with fewer than 50 employees, have estimated regulatory costs of $50,100 per employee per year, incurring the highest regulatory costs of all U.S. firms.

[1] NAM Letter on Executive Order 1421 to Office of Management and Budget, Regulatory Recommendations, April 17, 2025.

[2] The Cost of Federal Regulation to the U.S. Economy, Manufacturing and Small Business, by Nicole V. Crain and W. Mark Crain, October 2023.



Message to Congress

AFS strongly supports the Trump administration's efforts to rebalance manufacturers' regulatory burden and looks forward to continuing to work with the Administration and Congress to fix rules that cost too much, projects delayed since they are caught in red tape, hurt investment, and harm the manufacturing sector.

AFS is lobbying for regulatory improvement on numerous issues including those listed below that impact metalcasters in your state:

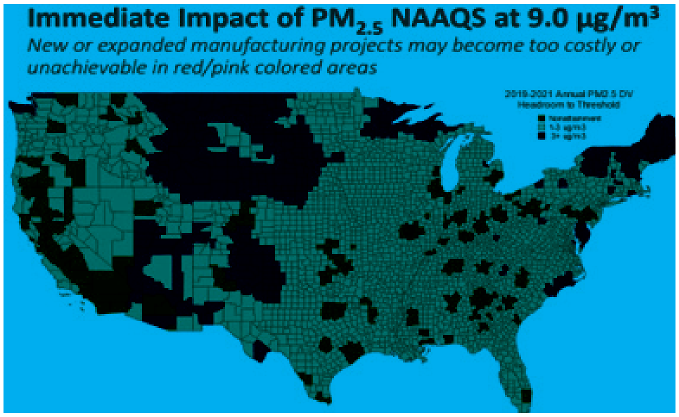
Environmental Protection Agency

Revised PM2.5 National Ambient Air Quality Standards (NAAQS) will Freeze Growth

In March 2024, EPA issued its final rule lowering the National Ambient Air Quality Standards (NAAQS) for fine particulate matter (PM2.5) from 12 to 9.3 9.0 micrograms per cubic meter, a 20% reduction.

- This drastic revision will put thousands of manufacturers, including metalcasters, into nonattainment status. (See map below).
- Plants in nonattainment areas will likely face restrictions on production, bans on new facilities or expansions of existing facilities and increased regulatory oversight of facility operations and air permits.
- The unrealistic new standard is set at or below existing background levels of PM2.5 in many areas, even undeveloped rural lands.
    - Over 80% of PM2.5 emissions are from uncontrolled, nonpoint sources such as wildfires, unpaved roads, and bare agricultural soils.
    - Because of these uncontrolled sources, even eliminating all emissions from controlled stationary sources, such as metalcasting operations, would not achieve compliance with the new standard.
    - EPA has reported that since 2000, PM2.5 emissions have declined by 42%, driven by existing regulatory controls on emissions from stationary sources like metalcasting operations.
    - The lowered limit also puts the U.S. at a disadvantage to global competitors, which have adopted standards that are less stringent than the EPA rule and are phased in over a much longer time frame.
- Metalcasting serves supply chains critical to the U.S. economy and national defense. In the U.S., castings are used to produce 90 percent of all manufactured durable goods and nearly all manufacturing machinery, including products that are vital for national defense.
- The agency did not consider the tremendous costs and burdens and the unintended consequences that metalcasters will have to face to meet this new standard. In a study commissioned by the NAM, the revised standard could threaten nearly $200 billion of economic activity and put one million jobs at risk.

Status: The new stringent PM2.5 rule will hamstring metal-casters' ability to grow and meet customer demand, just when there is an uptick in reshoring—the lowered limit must be reversed. AFS appreciates the EPA's recent announcement that it plans to reconsider this standard and encourage the Administration to return the standard to 12. AFS's Environmental Committees will be actively engaged in the agency's process to revise to the PM2.5 standard.



Power Plant Rule Poses Risks to Economy by Threatening Electric Reliability and Raising Energy Prices

On April 24, 2024, the EPA finalized new stringent rules setting greenhouse gas (GHG) emissions standards for certain fossil fuel-fired power plants, including existing coal-fired and new natural gas-fired power plants.

- To avoid early shutdown, these plants are required to cut or capture 90% of their GHG emissions by 2032 using carbon capture and sequestration/storage (CCS) technologies on their facilities.
- Energy intensive industries, such as metalcasting, are concerned that this rule will threaten electric reliability and lead to unsustainable increases in energy prices, harming the economy as a whole on an already overtaxed national electric grid.
- The rule requires an unrealistic timeline for power

plants to adopt technologies within the next 10 years that have yet to be proven at scale. New gas plants will be unlikely to be built, and coal plants will shut down prematurely - all as demand for electricity is skyrocketing.

- Given the growing demand for more electricity on the grid due to greater electrification and the growth of data centers, now is not the time to needlessly remove baseload generation from the grid, particularly affordable and reliable natural gas-fired generation.

Status: AFS appreciates the EPA's recent announcement that it is drafting a proposed rule and encourages the agency to work with industry to ensure future proposed GHG emissions standards do not again threaten grid reliability and baseload power generation.

Waters of the United States Definition

For decades, metalcasters have dealt with uncertainty around the definition of "waters of the United States (WOTUS)." Jurisdictional determinations for waters under the Clean Water Act impact manufacturers' ability to pursue projects.

- Despite the Supreme Court's decision in Sackett vs. Environmental Protection Agency, the EPA in 2023 promulgated a narrow, revised rule – notably without appropriate public input – which failed to fully grapple with the Court's decision, sowing further confusion.
- The Supreme Court was clear: a party asserting federal jurisdiction over wetlands must show an adjacent body of water constituting WOTUS and a continuous surface connection between the waters and the wetlands such that the two are indistinguishable.

Status: AFS applauds the EPA's March 2025 memorandum clarifying that wetlands must have a direct, unbroken surface water connection to qualify as WOTUS. The agency is reviewing the WOTUS definition and promulgating a new rule utilizing input from affected stakeholders. It aims to resolve inconsistencies in previous guidance, ensuring a uniform national approach for jurisdictional determinations and permitting. AFS looks forward to working with the agency to advocate for clear and consistent WOTUS definitions to avoid confusion and project delays.

U.S. Department of Labor

OSHA's Heat Injury and Illness Prevention in Outdoor and Indoor Work Settings

On August 30, 2024, the Occupational Safety and Health Administration (OSHA) released its proposed rulemaking establishing an indoor and outdoor heat standard. The proposed rule would impose a one-size-fits-all approach on all manufacturers, despite the fact that companies across our industry have unique production processes and operate in different parts of the country.

- AFS has already submitted comments multiple times to OSHA and advocated that any heat standard must be flexible, performance-based and designed to accommodate for the variety of workplace conditions and employers' already-existing, effective heat illness prevention programs. Any final rule should provide maximum flexibility for employers and be performance-based.
- Compliance costs and administrative burdens, particularly for small businesses, have been underestimated in OSHA's analysis, and recordkeeping requirements should be minimized.
- More specific concerns include the feasibility of mandatory rigid rest breaks, acclimatization protocols, and heat monitoring.

Status: An AFS member will be testifying at an agency hearing in June and will request that OSHA reconsider its proposed heat rule and allow for further input from affected industry stakeholders before promulgating any new standard. AFS members are committed to maintaining safe work environments and have dedicated significant resources to protect employees from hazardous heat in the workplace. The proposed rule, however, is inflexible and creates burdensome requirements.

Message to Congress

AFS urges lawmakers to cosponsor and support passage of the Prove It Act of 2025 (H.R. 1163/S. 495) which would ease the regulatory burdens on small manufacturers. The Prove It Act of 2025 aims to improve transparency, accountability, and fairness in how federal regulations are developed — especially when it comes to small businesses. Key highlights of the bill:

- **Count All the Costs**

  Agencies would need to evaluate both direct and indirect costs of proposed rules on small businesses, encompassing compliance time, paperwork, and downstream impacts.
- **More Input from Small Businesses**

  The bill strengthens requirements for federal agencies to consult with small businesses earlier in the rule-making process.

- ### More Accountability

  Agencies would have to back up their claims that a rule doesn't significantly affect small businesses, and the Small Business Administration's Office of Advocacy would have the power to push back if those claims aren't supported by solid data.

Urge your House lawmakers to co-sponsor and support passage. Thank the following 14 House lawmakers for co-sponsoring.

Rep. Ken Calvert (R-CA-41)	Rep. Nathaniel Moran (R-TX-1)
Rep. Mike Carey (R-OH-15)	Rep. Zachary Nunn (R-IA-3)
Rep. Brad Finstad (R-MN-1) *	Rep. Pete Stauber (R-MN-8)
Rep. Michelle Fischbach (R-MN-7)	Rep. Bryan Steil (R-WI-1)
Rep. Mike Flood (R-NE-1)	Rep. Maria Salazar (R-FL-27)
Rep. Harriet Hageman (R-WY-At Large)	Rep. Glenn Thompson (R-PA-15)
Rep. Daniel Meuser (R-PA-9)	Rep. Jefferson Van Drew (R-NJ-2)

To cosponsor the Prove It Act of 2025 (H.R. 1163), contact:

Tyler Dunn, tyler.dunn@mail.house.gov, Office of Rep. Brad Finstad (R-MN).

To cosponsor the Prove It Act of 2025 (S. 495), contact:

Aaron Gottesman, Chief Counsel/Policy Adviser, aaron_gottesman@ernst.senate.gov, Office of Senator Joni Ernst (R-IA).

For further information, contact:

American Foundry Society
AFS Washington Office
Stephanie Salmon
202-452-7135 I ssalmon@afsinc.org

AFS Headquarters
1695 N. Penny Lane, Schaumburg, IL 60173
847-824-0181 I www.afsinc.org

ADVOCATE. EDUCATE. INNOVATE.

Energy Accessibility and Reliability

The United States is the world's leading energy producer, creating an advantage for manufacturers in the global marketplace. With a renewed commitment at the federal level to increasing domestic energy production and delivery, to focusing on critical minerals and material supply chains and to advancing innovative technologies, our country can continue to lead the world for decades to come.

U.S. Metalcasting Industry Plays a Critical Role in Supporting the Energy Sector

U.S. metalcasters are key suppliers to the energy sector, providing critical castings for power generation, energy transmission and distribution, refining, oil and gas processing, pipelines, nuclear facilities, hydroelectric power plants, and other energy-related infrastructure.

- Metal castings are essential for producing a wide range of components—such as valves, pumps, fittings, turbines, and connectors.
- Castings have exceptional durability and precision and can withstand high pressures, temperature variations, and corrosive environments.
- Casting materials like steel, ductile iron, and nonferrous alloys are chosen for their strength and corrosion resistance to ensure long-term performance of energy pipelines.

Rise in Energy Consumption & Rapid Growth of Data Centers Lead to Higher Energy Prices

As an energy intensive industry, the U.S. metalcasting industry is genuinely concerned about the rising energy demand from data centers which could further overburden the nation's aging power infrastructure. The rapid growth of data centers today has significantly contributed to the rise in our nation's energy consumption, putting immense pressure on an already strained energy grid. This is only increasing, U.S. data-center power demand could nearly triple in the next three years, and consume as much as 12% of the country's electricity, as the industry undergoes an artificial-intelligence transformation, according to a Department of Energy-backed study, the 2024 Report on U.S. Data Center Energy Use.[1]

- Furthermore, construction of the data centers is at an all-time high, increasing 69% year-over-year from 2023 to 2024, per commercial real estate firm CBRE.[2] This rapid growth of data centers can strain utilities and potentially lead to higher electricity bills for all manufacturers and consumers, as the cost of meeting increased demand is passed on.
- Even though Indiana's data center boom is in the nascent stages, it is having an impact on energy usage. Indiana Michigan Power has estimated that the handful of data centers coming to Northern Indiana will use more electricity by 2030 than all Hoosier households.
- This ever-increasing electrification of the economy and increased footprint of data centers are leading to higher energy prices, combined with the risk

[1] U.S. Department of Energy, 2024 Report on U.S. Data Center Energy Use, Dec. 2024 https://eta-publications.lbl.gov/sites/default/files/2024-12/lbnl-2024-united-states-data-center-energy-usage-report.pdf

[2] North America Data Center Trends H1 2024, CBRE, August 2024 - https://www.cbre.com/about-us

of power outages in already resource-constrained states of the West and Southwest, land restrictions on the East Coast, and aging infrastructure. [See charts below.]

Message to Congress

There is a pressing need for federal lawmakers to use all policy levers available to ensure sufficient, resilient, reliable, and affordable energy for all users. It will require key policies such as comprehensive permitting reform, increased domestic production and processing of critical materials and minerals, and building out natural gas infrastructure to shore up reliability. Together, these actions address our energy demands and critical supply chain challenges, particularly as the AI-driven economy continues to grow. Listed below are key policy recommendations that the American Foundry Society (AFS) is urging Congress and the Administration to act on to ensure a stable and affordable energy future for U.S. metalcasters and the economy.

Enact Comprehensive Permitting Reform

- Produce comprehensive reforms to our permitting system that expedite all projects for all energy infrastructure including more transmission and distribution lines, pipelines, and expand the development of nuclear energy.
- Expedite the environmental review of certain federal actions that involve energy and mineral development, energy supply, or natural resources.
- Projects of all kinds face extensive delays and can even be halted due to unnecessarily lengthy NEPA reviews and associated litigation.
- 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.

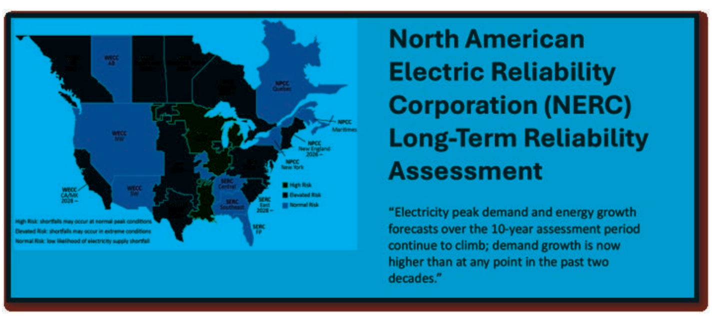
Secure the Electric Grid

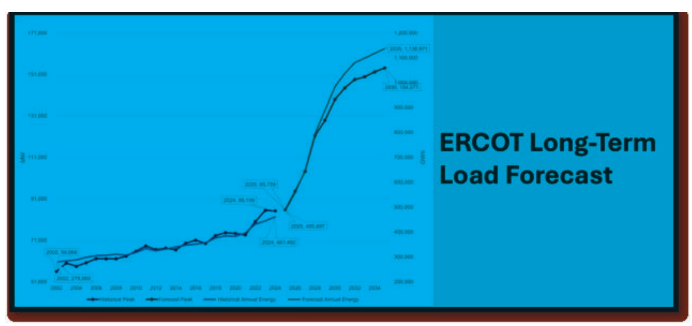
- Modernize the grid to expand U.S. electricity transmission.
- Diversify additional energy resources such as an American-sourced natural gas.
- Remove regulatory hurdles.

Facilitate Increased Domestic Mineral Production and Processing

- Support domestic critical mineral extraction,

  processing and global supply chain diversification that advance opportunities for new nearshore and onshore operations.
- Increase domestic copper and uranium production.





For further information, contact:

American Foundry Society
AFS Washington Office
Stephanie Salmon
202-452-7135 I ssalmon@afsinc.org

AFS Headquarters
1695 N. Penny Lane, Schaumburg, IL 60173
847-824-0181 I www.afsinc.org

ADVOCATE. EDUCATE. INNOVATE.

Restore Pro-Growth Tax Policy

Pro-growth tax policies from the 2017 Tax Cuts and Jobs Act (TCJA) (P.L. 115-97) have allowed the U.S. metalcasting industry to use the savings from tax reform to grow their businesses, create jobs, raise wages, fund research and development, purchase new equipment, expand their facilities and invest in their communities. When manufacturing grows, the economy grows.

Here's what's at risk: Critical tax reform provisions have already begun to sunset, and more are set to expire at the end of 2025 – resulting in significant tax increases for virtually all manufacturers. Failing to preserve tax reform in its entirety will force employers to reduce investments here at home and undermine the industry's economic competitiveness.

House Passes Reconciliation Bill with Major Pro-Manufacturing Tax Provisions

The U.S. House of Representatives approved the sweeping reconciliation package, formally titled the One Big Beautiful Bill Act (H.R. 1), on May 22. It includes crucial American Foundry Society supported extensions and modifications of expiring 2017 TCJA provisions, protects the 21% corporate tax rate, repeals and modifies some of the Inflation Reduction Act (IRA) energy tax provisions and modifies rules for health insurance sold in the commercial market.

Key House Tax Provisions of Importance to U.S. Metalcasting Industry & Suppliers

- Capital expenditures and investments: Reinstates 100% expensing of capital equipment and technology purchases in the year they were acquired and put into service, also known as bonus depreciation, between Jan. 20, 2025, and before January 1, 2030. It would also expand the scope of qualified assets to cover new and refurbished manufacturing buildings.
- Section 199a: Increases and makes permanent the pass-through deduction for small and medium-sized manufacturers to 23% (from 20%), with restructured changes to the income limitations and thresholds.
- Research and development: Revives and extends immediate Research and Development (R&D) expensing incurred for tax years 2025–2029, reducing costs of research and supporting innovation across our sector.
- Business interest: Restores the TCJS's original, more favorable EBITDA-type calculation of the business interest deduction limit for tax years 2025 through 2029.
- Estate planning: Increases the estate, gift, and generation-skipping tax exemption amounts to $15 million, adjusted for inflation, and makes them permanent, protecting more family-owned manufacturers' assets from the estate tax.
- Bonus Depreciation: Increases the depreciation deduction rate to 100% for new capital equipment and technology acquired and placed in service after January 19, 2025,

Message to Congress

The U.S. metalcasting industry is a dynamic part of the U.S. economy, accounting for more than $110.52 billion in economic output and supporting over 490,000 jobs, when considering the direct and indirect impacts. Over 1,700 metalcasting facilities are operating in the U.S., with the vast majority, 75% as small businesses.

AFS encourages lawmakers to resist calls for higher business taxes as the Senate considers to deliberate on the reconciliation package. Lawmakers should provide much-needed relief and certainty that promotes manufacturing competitiveness by adopting the vital pro-growth policies. The longer we wait, the harder it is for metalcasters to make decisions based on tax policy for 2026. We want to see Congress move the package expeditiously so manufacturers can plan for investments, including equipment, and job creation.

House

Thank House Republicans and in particular members of the House Ways & Means Committee for championing pro-growth-oriented tax policies most critical to the metalcasting industry in the House reconciliation package.

Senate

Urge Senators to maintain the pro-manufacturing policies in the House reconciliation bill while continuing to work with manufacturers to ensure the final package is maximally effective at supporting manufacturing investment in the U.S.

For further information, contact:

American Foundry Society
AFS Washington Office
Stephanie Salmon
202-452-7135 I ssalmon@afsinc.org

AFS Headquarters
1695 N. Penny Lane, Schaumburg, IL 60173
847-824-0181 I www.afsinc.org

ADVOCATE. EDUCATE. INNOVATE.

Modernize America's Workforce Development System

In today's rapidly evolving economy, our nation needs an effective workforce-development system more than ever. AFS has identified 3 measures outlined below that will strengthen the U.S. workforce-development system and urges their enactment.

Background

As U.S. metalcasters adapt to shifting labor demands and adapt to technological advancements, effective workforce policies have become essential to ensuring economic opportunity.

U.S. manufacturers are struggling to fill open positions, with nearly 500,000 jobs unfilled as of April 2025, according to the Bureau of Labor Statistics. [1] Exacerbating the problem, the labor shortage is not restricted to the manufacturing sector alone, but also affects the supply chain that links materials, manufacturers, and markets.

Metalcasters continue to struggle to find workers with the requisite skills necessary to fill the available jobs, especially entry-level production positions, as well as skilled production workers including engineers and machine operators. This shortage is driven by a skills gap, a lack of applicants, and challenges in retaining talent. Nearly half of U.S. metalcasting companies reported that one of their top 3 challenges is attracting and retaining workforce talent, according to a survey conducted earlier this year by the American Foundry Society (AFS).

Additionally, the manufacturing workforce is aging, with an ongoing tidal wave of retirements in the coming decade. The Manufacturing Institute and Deloitte project a need for 3.8 million additional workers by 2033. [2] Their study finds that without significant changes, more than 5 in 10 or 1.9 million of these jobs could be left unfilled, underscoring the need for employee-focused strategies to keep up with growth.

To help to close the skills gap, U.S. metalcasters are prioritizing investments by strengthening workers' skills development, training, and technology. In addition, they are building partnerships with local vocational schools, educational institutions, metalcasting programs at universities, apprenticeship programs and AFS Institute programs to help attract younger talent and build a pipeline of skilled workers for the future.

AFS urges Congress to prioritize high-quality skills training, sector partnerships, and expanded outcome measures. Funding for programs including the Workforce Innovation and Opportunity Act (WIOA), Perkins Career and Technical Education (CTE), and apprenticeship programs should be maintained.

[1] U.S. Bureau of Labor Statistics, Job Openings: Manufacturing [JTS3000JOL], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/JTS3000JOL, May 26, 2025.

[2] "Taking charge: Manufacturers support growth with active workforce strategies," Manufacturing Institute and Deloitte, https://www2.deloitte.com/us/en/insights/industry/manufacturing/supporting-us-manufacturing-growth-amid-workforce-challenges.html, April 2024.

Message to Congress

House: AFS thanks lawmakers for including the following key provisions that enhance several educational assistance and workforce training programs to attract and retain manufacturing employees, in the budget reconciliation bill, known as "One Big Beautiful Bill Act" (H.R. 1) that passed the House of Representatives on May 22, 2025.

Senate: AFS urges the Senate to maintain these workforce and educational assistance programs and act swiftly on the passage of the budget reconciliation package.

Creates a Workforce Pell Grant Program Granting Eligibility to High-Quality Short-Term Workforce Programs

- Starting in the 2026–2027 award year, the new program would expand the Pell Grant eligibility to students enrolled in shorter high-quality job training programs which lead to industry-recognized credentials and certificates to advance their careers.
- Covers programs that are 150–600 clock hours in length over 8–15 weeks, Currently, the grants can only be used for programs with a 15-week minimum.
- To be eligible, programs must align with high-wage, high-skill, or in-demand occupations, have a 70% completion and job placement rate, and lead to a recognized postsecondary credential.

Expands Eligible Uses of Tax-Favorable "529" Savings Plans to Cover Costs Associated with Workforce Training and Credentialing Programs

- Sec. 110111 would expand the eligible expenses for 529 accounts to cover costs associated with post-secondary career or apprenticeship workforce training and credentialing programs.
    - 529 plans would be expanded to help cover: certificate program tuition, including prep-courses, testing and examination fees, books and equipment, continuing education, certification renewal and other credentials, as well as other charges required to obtain and maintain a certification.
    - Currently, only costs related to attending colleges, universities, vocational schools, registered ap prenticeship programs, K-12 private tuition or other post-secondary institutions are eligible 529 expenses.

Makes Permanent a Tax Break for Educational Assistance Programs

- Sec. 110113 addresses Section 127 of the Internal Revenue Code by providing a tax exclusion to the employee for up to $5,250 per year, paid or reimbursed by an employer, for qualified educational assistance, including tuition, mandatory fees, and books.
- The reconciliation bill makes the $5,250 tax limit on educational assistance payments permanent (it is currently scheduled to expire after 2025). It will also adjust for inflation after 2026.
    - It allows an employer to provide a tax-advantaged opportunity to support their employees' pursuit of education on a tax-free basis provided that certain requirements are satisfied.
    - The plan must be a written program established by an employer to provide educational assistance to its employees (which is defined, for this purpose, very broadly).

For further information, contact:

American Foundry Society
AFS Washington Office
Stephanie Salmon
202-452-7135 I ssalmon@afsinc.org

AFS Headquarters
1695 N. Penny Lane, Schaumburg, IL 60173
847-824-0181 I www.afsinc.org

ADVOCATE. EDUCATE. INNOVATE.