AFS is your voice in Washington, D.C. AFS works to advance legislation and regulatory policies on a wide variety of issues critical to metalcasters. To encourage investment, job growth, and development and production of more metal castings in the United States, AFS advocates on behalf of its members to urge elected officials to champion policies that create a globally competitive business environment, rebuild our nation’s infrastructure, and keeps the U.S. economy strong.

The 2020 AFS Policy Priorities, developed in consultation with the AFS Government Affairs Committee and companies spanning the entire industry supply chain, identifies five areas for our focus in 2020: Infrastructure, Trade, Safety, Tax, and Energy & Environment.

1. INFRASTRUCTURE: MODERNIZE AMERICA’S INFRASTRUCTURE

Metalcasters play a critical role in our nation’s infrastructure network. Congress should provide for increased, long-term funding for improvements to the nation’s transportation, water, energy and other critical infrastructure.

America’s infrastructure is aging and in dire need of modernization. The United States faces a more than $740 billion backlog in much-needed highway and bridge improvements and nearly half of America’s major roads are in poor condition. Our nation also faces a large shortfall in funding for ports, dams, levees, airports, broadband, energy, and water systems.

Metal castings are a vital building block for key components used in construction equipment, trucks, oil and gas pipelines, water works, buildings, railroads, and so much more. In fact, more than 40% of all metal castings are dedicated to infrastructure.

Our nation’s infrastructure needs significant investment and not simply to provide short-term fixes. With the current highway bill (the FAST Act) set to expire in this congressional session and the Highway Trust Fund approaching insolvency, Congress needs to identify new revenue sources to restore the federal highway program’s long-term fiscal stability and increase investment levels.

In 2020, AFS is working to advance the following goals:

• Address the long-term solvency of existing federal infrastructure funding accounts that focus
on rebuilding the nation’s bridges, roads, waterways, railroads, and energy infrastructure.

- Include greater direct federal infrastructure investment and efficiencies to accelerate federal permitting processes.
- Complement and strengthen existing tools, such as Private Activity Bonds, that successfully deliver infrastructure investments at the federal, state, and local level.
- Ensure materials for infrastructure projects are produced in the U.S., requiring all iron and steel used to rebuild the nation’s infrastructure is produced in the United States, including metal castings.
- Reinvest in our nation’s water infrastructure, including EPA’s Drinking and Clean Water State Revolving Loan Fund Programs and the Water Infrastructure Finance and Innovation Act (WIFIA).

2. INTERNATIONAL TRADE: CONTINUE TO STRENGTHEN U.S. TRADE LAWS

AFS supports vigorous enforcement of U.S. trade laws. The U.S. must continue to press China and other nations to end government subsidies and other market-distorting practices, which result in an uneven playing field for U.S. metalcasters.

Too often, countries have engaged in unfair and unlawful trade practices, such as massive government subsidies, government ownership and control of major producers, currency manipulation, tax preferences, investment restrictions, and other market-distorting practices at the expense of U.S. metalcasters.

In 2020, AFS will continue to support:

- Aggressively enforcing U.S. trade laws against dumping, improper country of origin markings, subsidies and other market-distorting policies.
- Defending the U.S. ability to apply non-market economy methodology to remedy injurious dumping.
- Curbing subsidies to state-owned enterprises.
- Strongly monitoring import and transshipping to protect against unfairly subsidized castings.
- Strongly monitoring import and trade enforcement for effective USMCA implementation.

3. SAFETY: PROMOTE STRONG SAFETY & HEALTH PROGRAMS

AFS and its members share the critical goal of ensuring the safety and health of their employees. For 2020, AFS will continue to work with our members to provide critical information and resources to help keep metalcasting workers safe. AFS will be submitting comments on several OSHA proposals including the Mechanical Power Press rule (which hasn’t been revised in 40 years), the updated Blood Lead Level for Medical Removal and post-incident drug testing and safety incentive program.

Our member companies have made substantial efforts to decrease the number and frequency of workplace incidents and continue to work through AFS to share information and best practices to meet their shared goal of improving occupational safety and health. AFS and its Safety and Health Committee provide a wide variety of safety resources to our members through webinars, seminars, articles, handbooks, quarterly meetings, and the annual association Environmental, Health & Safety Conference. In addition, AFS is helping metalcasters work towards compliance with key OSHA rules including the crystalline silica rule, as well as the Hazard Communication Standard by publishing new and updated Safety Data Sheets (SDSs) for a variety of alloys and materials specific to the foundry industry.

AFS regularly engages with the U.S. Department of Labor, the Occupational Health and Safety Administration (OSHA) and Congress on a wide variety of safety and health issues. For 2020, OSHA has several pending regulatory agenda items that are in the pre-rule stage, including a request for information to update the Mechanical Power Press rule (which hasn’t been revised in 40 years), and the issuance of an advanced notice of proposed rulemaking in September 2020 for the Blood Lead Level for Medical Removal rule. In November 2020, OSHA is expected to propose rules regarding post-incident drug testing and safety incentive programs. AFS will submit comments on these key OSHA rulemakings impacting metalcasters once they are released.

4. TAX: MAINTAIN CERTAINTY IN THE TAX CODE FOR METALCASTERS

AFS supports tax policy that encourages manufacturing activity in the United States and promotes domestic capital investment. In 2020, AFS will advocate for permanence of key pieces of the Tax Cuts and Jobs Act.

While the Tax Cuts and Jobs Act (TCJA) contained many pro-growth policies, including lowering the tax burden for pass-throughs, full expensing of new and used equipment purchases, and increased estate tax exemption levels, these provisions are temporary. It is critical to preserve these important capital investment incentives and make them a permanent part of the tax code to provide certainty for U.S. metalcasters and their customers.
In 2020, AFS will continue to advocate before Congress to:

- **Make the Section 199A Deduction for Pass-Through Businesses Permanent.** The TCJA created a new 20% deduction available to manufacturers organized as pass-throughs, but this deduction expires in 2025.
- **Maintain Bonus Depreciation at 100%.** Under the TCJA, bonus depreciation increased to 100% for 5 years and expanded qualified property to include both new and used equipment purchases. Bonus depreciation was previously set at 50% and only included new assets. It is set to be reduced by 20% per year thereafter in 2023; expiring at the end of 2027.
- **Maintain Expanded Section 179 Expensing.** Section 179 has been expanded and increased to allow taxpayers a deduction of up to $1,000,000 and has increased the phase-out threshold to $2,500,000 of qualified property.
- **Repeal the Alternative Minimum Tax (AMT).** The AMT creates needless complexity and is a tax increase on many metalcasting businesses. The Act increased the exemption level for individual AMT filers, but that will expire in 2025. While the AMT should be repealed altogether, at the very least the AMT relief in the Act should be made permanent.
- **Maintain the Estate Tax Exemptions.** The TCJA doubled the estate tax exemption to $11 million per person/$22.4 million per couple, but the tax relief provisions will expire at the end 2025 without congressional action.

5. ENERGY & ENVIRONMENT: MODERNIZE OUR NATION'S ENERGY POLICY & RECOGNIZING SUSTAINABILITY IS AT THE CORE OF THE U.S. METALCASTING INDUSTRY

Metalcasting is inherently energy intensive. The availability and reliability of U.S. energy sources is essential to the industry’s competitiveness. Metalcasters are committed to energy efficiency to lower costs and lessen environmental impact. Metalcasters continue to make critical environmental improvements and increased investments in sustainability.

Congress and the Administration should enact policy measures to facilitate investment in our national energy infrastructure, including production, distribution, transmission, and storage projects.

Specifically, AFS supports a comprehensive energy policy that increases all avenues of domestic production including domestic oil and natural gas exploration, as well as clean and renewable energy sources. In 2020, AFS will advocate for the following key policies:

- **Invest in Transmission Line Infrastructure and Smart Grid Technology.**
- **Incentivize Clean and Renewable Energy Sources.**
- **Streamline the Approval Process for Pipeline Infrastructure.**
- **Increase the Deployment of Combined Heat and Power and Waste Heat to Power.**
- **Promote Development of Energy Storage Technologies.**

Regarding the environment, metalcasters continue to make environmental improvements to reduce pollution and increase sustainability. During the past decade manufacturers have reduced the carbon footprint of their products by 21% while increasing their value to the economy by 18%, according to data from the International Energy Agency (IEA). AFS advocates for sensible solutions to today’s environmental challenges. Metalcasters recognize that regulations should balance promoting economic growth and protecting our environment.

In 2020, AFS will work to educate lawmakers on the following key policies:

- Carbon and greenhouse gas (GHG) management approaches which recognize and account for the challenges faced by Energy Intensive Trade Exposed Industries (EITEs), including metalcasting.
- **Support the life cycle assessment approach to research that tracks the impact of a product in all stages of its life, from raw material extraction to production, use, and disposal or recycling.**
- **Support public and private investments that advance research, development, and deployment of new technologies that reduce greenhouse gas emissions.**
- **Increase domestic recycling.**