

American Foundry Society
Comments on the U.S. Environmental Protection Agency
Proposed Rule to Repeal the Carbon Pollution Emission Guidelines for
Existing Stationary Sources: Electric Utility Generating Units
Docket ID No. EPA-HQ-OAR-2017-0355

April 26, 2018

The American Foundry Society (AFS) hereby submits the following comments on the U.S. Environmental Protection Agency (EPA) Proposed Rule to Repeal the Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units as it applies to metalcasting operations. 82 Fed. Reg. 48035 (October 16, 2017). AFS supports EPA's repeal of the so-called "Clean Power Plan" (CPP), promulgated October 23, 2015 (80 Fed. Reg. 64662), because the CPP would have significant negative impacts on a broad range of industries, including the metalcasting industry.

Industry Overview

AFS is the major trade and technical association for the North American metalcasting industry. AFS has more than 8,000 members representing nearly 2,000 metalcasting firms, their suppliers, and customers. The organization exists to provide knowledge and services that strengthen the metalcasting industry for the ultimate benefit of its customers and society. AFS seeks to advance the sciences related to the manufacture and utilization of metalcasting through research, education, and dissemination of technology. AFS also provides leadership in the areas of environmental, safety and industrial hygiene, government affairs, marketing, management, and human resources for the metalcasting industry.

Metal castings are integral to virtually all U.S. manufacturing activities. In the U.S., castings are used to produce 90 percent of all manufactured durable goods and nearly all

manufacturing machinery. The industry is composed of 1,956 facilities manufacturing castings made from iron, steel, and aluminum alloys that have thousands of applications. In addition to the automotive, construction, and defense industries, other major sectors supplied by the metalcasting industry include agriculture, aerospace, energy exploration and conversion, oil and gas, mining, railroad, municipal/water infrastructure, transportation, and health care.

The American metalcasting industry provides employment for over 200,000 men and women directly and supports thousands of other jobs indirectly. The industry supports a payroll of more than \$8 billion and sales of more than \$20 billion annually. Metalcasting facilities are found in every state, and the industry is made up of predominately small businesses. Approximately 80 percent of domestic metalcasters have fewer than 100 employees.

The CPP Would Impose Significant Negative Impacts on Metalcasting Operations

Under the CPP new regulatory costs, increased energy costs, potential disruptions in the electricity grid and significant job losses would have a negative impact on the metalcasting industry. Because the U.S. metalcasting companies operate under extremely tight profit margins, the CPP could be devastating for the metalcasting industry. The metalcasting industry is a vital part of the U.S. economy, and AFS is concerned that the CPP could cause foundry closures, loss of high-wage manufacturing jobs, and loss of business to global competition.

A strong U.S. metalcasting industry is critical for national security given its role in the production of military vehicles and aircraft, weapons systems, ordnance, and ship components. Further eroding the U.S. metalcasting industry's global competitive position could force off-shoring of defense casting suppliers, thereby leaving the U.S. potentially vulnerable to producing much needed military equipment in a timely, efficient and cost-effective manner.

In addition, the metalcasting industry is a leader in developing energy efficient castings and technologies. For example, metalcasters are a critical player in the production of components for many renewable energy products such as wind, solar, nuclear, geothermal, and bio- and gas-turbine generation. Loss of U.S. metalcasting capacity from the proposed rule, could damage the domestic capacity to promote such energy efficient technologies.

Conclusion

The CPP is overly broad, provides too much flexibility without sufficient guidance, and appears to impose unintended burdens on metalcasting operations, most that are small businesses. As designed, the CPP would increase electricity costs, disproportionately impact poor and disadvantaged communities, unduly limit states' rights, and weaken the nation's power grid. The CPP, in turn, provides little, if any, environmental benefits, while imposing unnecessary regulatory costs and unintended economic harms on Americans. Through its regulations EPA should promote an environmentally sustainable energy policy that ensures reliable, effective and affordable energy for U.S. households and manufacturing.

AFS appreciates the opportunity to provide these comments on the proposed rule to repeal the carbon pollution emission guidelines for existing power plants, referred to as the CPP. Accordingly, as an energy-intensive, trade-exposed industry that is a vital part of U.S. manufacturing and trade, AFS and the metalcasting industry strongly support EPA's proposed repeal of the CPP. If you have any questions or would like additional information about the comments, please contact Jeff Hannapel with our AFS Washington office at jhannapel@thepolicygroup.com.