



DECEMBER 2020

INSIDE TCMA

Government Affairs Election 2020 – Key Takeaways for U.S. Metalcasters

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Split Congress:

A record number of voters cast ballots across a deeply divided country, as reflected in the presidential and closely contested Senate and House races. The GOP is expected to hold narrow control of the Senate next year, assuming Republicans win at least one of two runoff elections in Georgia for the U.S. Senate seats. Republicans will see improved margins in the House of Representatives, which Democrats will still control in the new 117th Congress.

Historic Election:

- Former Vice President Joe Biden will be the oldest President to Biden will be sworn in as in the nation's history at 78.
- Sen. Kamala Harris (D-CA) will be the first woman, first African American, and first South Asian-American to serve as Vice President.
- Record number of Americans turned out to vote in this year's presidential race - According to Bloomberg, at least 161 million Americans voted in the 2020 election, the largest number of voters since 1900. The projected number of voters brings us to a 66.8% turnout rate.
- There was no "Blue Wave".
- There are over 60 new members of Congress
- The 117th Congress is shaping up to be the most diverse in history with a record number of women and minorities.
- A record number of females will be sworn in Jan. 2021 with at least 141 women, including 51 women of color. There are 17 newly elected Republican female lawmakers. GOP women are leading in the two House races in Iowa and New York that Democratic candidates are contesting. In 2018, the nation elected 127 women, 48 women of color to the House and Senate.
- Rep.-elect Madison Cawthorn (R-NC) will become the youngest member of Congress and the first lawmaker born in the 1990s.

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A Message from the Chairman



What does your crystal ball say about 2021? Mine says it's going to be another challenging year.

Though the Coronavirus vaccine appears to be on the horizon, it may take at least a couple of quarters before the vaccine is widespread enough to make a large impact. For now, the virus appears to be spiking again. With many industries, like travel, hotels and restaurants on the brink, I'm not sure our economy can take much more of this.

Politically, I'm not sure where we stand either. President Trump has yet to concede the national election due to voting irregularities in several states. For the first time in history, Republicans picked up at least 9 US House seats, is on pace to keep the Senate, kept every Governor and defeated one sitting Democrat and control more State Houses throughout the country – but apparently lost the presidency.

What will President Biden's policies do to our economy? In our industry we may have to watch the EPA more than any other agency. Though Republican control of the Senate and a slimmer Democratic majority in the House will create barriers for radical policy changes, the last several presidents have used Executive Orders too frequently.

Here in Texas, Republicans kept control of the Texas House by the same margin as last session, 83-67, though Democrats did defeat one sitting Senator to eliminate the super-majority previously held by Republicans in the upper chamber. Still, Republicans control every statewide office, including the Texas Railroad Commission, which controls oil and gas policy.

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Welcome

This TCMA newsletter is developed by the association to improve communication and provide members with the latest news and legislative action concerning their companies and the cast metals industry.

Let us hear from you!

Please send company news, legislative inquiries, product updates and employee highlights to TCMAINC.ORG.

Visit our website

WWW.TCMAINC.ORG

TCMAINC.ORG serves as a valuable resource for our members. Go online to read about our newest members to the association, members' achievements, the latest updates on our bulletin board and the latest news in the foundry business.

Upcoming Events

*AFS Metalcasting Congress
(Virtual Event)
April 12-22, 2021*

*AFS/GAC Fly-In
May 25-26, 2021*

*TCMA Annual Meeting
- TBD*

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– Key Takeaways for U.S. Metalcasters continued...

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House:

Entering the 2020 Election, Democrats held the majority in the U.S. House of Representatives with 232 seats to Republicans' 197 seats, plus an independent and five open seats. Republicans picked up at least nine seats in the House to narrow the Democratic majority in the House. Out of 435 seats, Democrats are likely to only hold a maximum of 222 seats. That means the GOP could have up to 213 pending the outcome of the two contested races. It takes 218 years to pass anything in the House if all 435 members show up.

For Texas, there will be 5 new members of the House of Representatives including: Pat Fallon –replaces Rep. John Ratcliffe (R-04-TX); August Pfluger - replaces Rep. Mike Conaway (R-11-TX); Ronny Jackson – replaces Rep. Mac Thornberry (R-13-TX); former Congressman Pete Sessions –replaces Rep. Bill Flores (R-TX-17); Troy Nehls – replaces Rep. Pete Olson (R-22-TX); Tony Gonzales – replaces Rep. Will Hurd (R-23-TX); and Beth Van Duyne – replaces Rep. Kenny Marchant (R-24-TX). AFS and TCMA looks forward to working with these new Texas lawmakers.

Senate:

Entering into the 2020 election, Republicans held control of the Senate with a 53-47 majority. Democrats have shrunken that gap by one seat with victories in Arizona and Colorado, while Republicans were able to reclaim the Senate seat in Alabama. All eyes are on both Georgia Senate seats heading to a runoff on January 5, 2021. In order to gain majority control of the Senate, Democrats would need to win both Georgia seats, thus allowing Vice President-elect Harris to break the 50-50 tie.

There will be seven* new members of the U.S. Senate (*pending outcome of GA Senate races) which include the following new Republican Senators: Tommy Tuberville (Alabama) – replaces Sen. Doug Jones (D); Roger Marshall (Kansas) – replaces Sen. Pat Roberts (R); Bill Hagerty (Tennessee) – replaces Sen. Lamar Alexander (R); and Cynthia Lummis (Wyoming) – replaces Sen. Mike Enzi (R). New Democratic Senators include: Mark Kelly (Arizona) sworn in on Dec. 2nd to fill remaining term of former Sen. McCain – replaces Sen. Martha McSally (R); John Hickenlooper (Colorado) – replaces Sen. Cory Gardner (R); and Ben Ray Lujan (New Mexico) - replaces Sen. Tom Udall (D).

Presidency:

President-Elect Joe Biden's recent victory in the general election will push forward major shifts in U.S. policy across a wide array of issues. The split control of Congress for the next two years will test Biden's ability to avoid gridlock and negotiate compromises to address the major policy issues confronting our nation. As a result, incrementalism will likely define the next two years of federal government activity rather than big and bold new legislative actions.

Here is an overview of the key policy positions outlined during the Biden campaign:

Infrastructure: Broadly, Biden has indicated a desire to work with Congress in early 2021 to enact a large-scale infrastructure package, which would include what is viewed as "traditional" infrastructure – i.e. roads, bridges, transit, etc. – but it would also likely include language relating to ports, airports, schools, broadband access, water infrastructure, and clean energy projects, and could move as a combined package or as pieces of a number of bills. Metalcasters would certainly benefit from this type of package. There is also broad, bipartisan support in Congress for a comprehensive infrastructure package; however, there are significant differences of opinion on major issues between Republicans and Democrats, such as what elements should be included, the size of the package, and how to pay for it. With President-Elect Biden likely facing a divided government, there will be limits on what he is able to get done.

EPA: The Biden administration will work to pursue with House and Senate Democrats legislation that sets a net-zero greenhouse gas (GHG) emissions target by 2050, amidst expected opposition from a Republican-controlled Senate that will complicate progress towards such targets. Look for Biden to direct the EPA and DOJ to formulate strategies to unwind litigation over Trump's approach to regulating GHG emissions from mobile sources (cars and trucks) and stationary sources (facilities such as power plants, refineries and large manufacturing plants). Among the more ambitious elements of President-elect Biden's climate proposal are his environmental justice plans, which call for investments in housing, pollution reduction, workforce development, and transportation for the historically disenfranchised Black and Latino communities, as well as more stringent enforcement (including criminal enforcement) of environmental laws in these areas.

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– Key Takeaways for U.S. Metalcasters continued...

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Safety: OSHA, under President-elect Joe Biden, will have the look and feel of an Obama-era administration. From OSHA, we can anticipate increased enforcement by the agency, as well as the immediate declaration of an emergency temporary standard to combat the coronavirus pandemic. We anticipate new regulations covering indoor heat stress and others.

Trade: We expect President-elect Biden to take a similar policy direction as the Trump administration vis-à-vis China and with respect to trade policy more generally, including trade enforcement and WTO reform. The biggest immediate change is likely to be a shift in tone with efforts by President-elect Biden to prioritize working with U.S. allies. The new administration may be more willing to deal with trade disputes in international forum rather than resort to unilateral action.

Tax: Much of the Biden campaign's tax agenda, including corporate and individual rate increases, estate tax changes, and a significant rewrite of the international tax system face significant headwinds with a Republican-controlled Senate.

Workforce: Expect a Biden administration to increase significantly investment in community colleges, vocational training programs, and minority-serving institutions, with a focus on strengthening technology training, and aligning higher education with 21st century workforce needs.

Furthermore, Biden's election sets the course for thousands of regulatory and legislative decisions, as well as an uptick in litigation related to federal enforcement activity and federal administrative rule-makings as well as civil rights and antitrust enforcement that will shape marketplace conditions for every business, including metalcasters. AFS looks forward to actively engage with the new Congress and new Administration.

Key AFS Priority Issues for New 117th Congress and New Biden Administration:

1. Infrastructure
2. Environment/Energy
3. Safety/COVID-19
4. Trade – enhanced Buy American provisions & enforcement
5. Workforce Development

AFS Advocacy/Outreach to 117th Congress & Biden Administration

- Welcome Letters to members of the House of Representatives and the U.S. Senate – Jan. 2021
- Welcome Letters to Administration – Jan. 2021
 - o Showcase the importance of the U.S. metalcasting industry and its impact on the economy in their district or state, including new industry study on employment
 - o Highlight the many ways in which U.S. metalcastings are used in fighting the pandemic
 - o Focus on key industry priority issues: infrastructure, trade, environment/energy and workforce
- House Zoom meetings with New members of Congress by state

For additional information, contact Eric R. Meyers, Chair Government Affairs Committee AFS.

Updated - 12/8/20 •

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A Message from the Chairman

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Given the logistical limitations from the Coronavirus, I suspect the 2021 legislative session will be a “nuts and bolts” session. That is, the legislature is likely to pass far fewer bills than in previous sessions. Constitutionally, the only requirement is to pass a budget – a balanced budget – which will be difficult with billions less this cycle.

Also, a requirement this session is the once-per-decade redistricting, or reapportionment, of districts across Texas. This is the most political process a legislature can take on as it calls for redrawing every Texas House, Senate, State Board of Education, Congressional (including adding new districts from population growth) and many judicial seats. Given the lack of growth outside of the Texas triangle (DFW down to San Antonio, over to Houston and then back up to DFW), rural Texas will likely lose districts to urban and suburban Texas. The balance of power in the legislature, and in Congress, will be affected for the foreseeable future.

All in all, we have a number of challenges before us. A global pandemic, the economic fallout and a new administration in the White House is certain to bring about one constant: Change. As business leaders in the foundry industry, that’s something you’ve navigated before. And 2021 will be no different. It’s time to grab those bootstraps and pull yourself up, yank those gloves a little tighter, and get to work. You can do it. •

Jared Patterson
Chairman