

AUGUST 26, 2009

LEAVING NO STONE UNTURNED

Dear Member,

Congress may be on break, but we continue to press ahead to win new support for the mechanical insulation industry!

As you know, we have been focused on securing federal funding so that we can enlighten large energy users about the power of mechanical insulation. But we have also been working since the beginning of the year to lay the groundwork to create a tax incentive for the industry.

I am happy to report that this effort has entered a new phase. We have begun working with Congress to draft legislative language and expect to have it in hand soon. Once we do, we will visit and re-visit staff working on these issues and urge them to include the credit in their next energy tax bill, which could see action in a matter of weeks.

In addition, we have been meeting with House and Senate offices to solicit support for the education campaign. Working with the International Association of Heat and Frost Insulators and Allied Workers, we briefed a dozen offices, including those of Senators Evan Bayh (D-IN); Barbara Boxer (D-CA), the chair of the environment committee; appropriators Robert Byrd (D-WV) and Patty Murray (D-WA); Richard Lugar (R-IN); and Bernie Sanders (I-VT). We also spent time with Representatives Steve Israel (D-NY) and Alan Mollohan (D-WV), who will have a seat at the table when the two chambers reconcile their fiscal 2010 energy spending bills.

Next week, we will be meeting with President Obama's top official on energy efficiency, Assistant Secretary of Energy Cathy Zoi.

Governors Meetings

We have met with energy, environmental, and code representatives from governors' offices in New Jersey, Ohio, West Virginia, Kentucky, and Washington. Our message has been centered on the need to "Educate Users—Assess the Opportunity and Allocate Funding."

- Awareness and Educational Program: Provide awareness and educational forums and programs related to all aspects of mechanical insulation and of employing different performance and financial modeling and higher standards related to the design, installation, and maintenance of mechanical insulation systems, including code review and enforcement.
- Assess and Quantify the Opportunity: Conduct a series of mechanical insulation systems and energy assessments to qualify and quantify the opportunities available to the state. The assessments shall focus upon energy efficiency/conservation, emission reduction/environmental footprint, condensation and mold prevention, safety, and indoor air quality.
- Allocate Resources: Allocate resources to implement and execute the Educational/Awareness and Assessment campaigns and to implement the repair, replacement, or upgrade of mechanical insulation in governmental facilities identified in the assessment process.

Based on what we have learned in these meetings, we are developing a model action plan that can be implemented by our members in their respective states. The follow-up required to make a difference needs to be accomplished by individuals or companies located in and operating in the states.

Now, while the political process can sometimes be unpredictable with its fits and starts, we know for certain that policymakers across the country continue to hear they should be spending more to make buildings energy

efficient. The influential consultant firm McKinsey recently released a study estimating that if the U.S. invested \$520 billion in energy efficiency improvements, the country would see \$1.2 trillion in savings on energy bills through 2020. McKinsey also called on our elected officials to provide more for education, better information about potential gains from energy efficiency, and additional incentives for making efficiency improvements. These are exactly the things we have been advocating. We welcome the support; it makes me think “now is our time,” truly.

Please send any thoughts you have on our efforts. We will send along another update soon. In the meantime, visit www.insulation.org/mimi for more information.

Regards,
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Executive Vice President/CEO