

MARCH 26, 2009

A STRONG START ON CAPITOL HILL

Dear Member,

We are off to a strong start in our advocacy for mechanical insulation. We have been on Capitol Hill three days in the past two weeks, meeting 13 key congressional offices with the help of GolinHarris. We spoke with senior staff for lawmakers who will shape energy tax legislation, develop policies that promote green building, direct government spending on energy, and set the congressional agenda. Each quickly understood mechanical insulation's potential to increase industrial energy savings nationally, and all were impressed with the preliminary data from the Save Energy Now (SEN) program.

Using the SEN data, analyzed by Oak Ridge National Laboratory, NIA has determined that maintenance of insulation at industrial facilities alone can generate more than \$2.5 billion in energy savings per year, reduce 61.5 trillion pounds of carbon dioxide and other greenhouse gas emissions, and create and/or retain more than 19,000 jobs annually.¹

There was sincere interest in working with us to craft a tax credit that would truly incentivize mechanical insulation and helping us win federal funding for an education campaign. Our outreach is timely. Attention to energy efficiency is at a historic high, in no small part because President Obama has made it a centerpiece of his agenda. The House and the Senate are developing major energy legislation that will emphasize energy efficiency and likely include a package of tax incentives.

This bill will be the first time Congress is focused on greening the building sector, which is responsible for 40% of U.S. energy demand and 40% of greenhouse gases generated. Lawmakers are searching for "low-hanging fruit" that can deliver relatively quick and easy building efficiency gains on an industrial scale. Mechanical insulation certainly fits, and we are driving the point home with those we meet.

In addition, we have written every governor to highlight mechanical insulation and offer NIA assistance as they move to spend billions of stimulus dollars to make buildings in their state more energy efficient. We have been contacted by two states and we are following up with details on how we can help. Next, we will:

- Engage the Department of Energy to make the case for an NIA-led education campaign that puts a spotlight on mechanical insulation and industrial energy efficiency.
- Reach out to news media covering policymaking in Washington and the industry. This will precede a campaign to publicize the SEN data, which will give us an opportunity to generate coverage that promotes the benefits of mechanical insulation and build awareness of it nationally.
- Organize a grassroots campaign that will have members from given states write the most important congressional offices. This will help us increase our volume, build allies, and bolster our outreach in Washington.
- Contact every state energy director. These officials advise their governor on energy policies and energy-related economic development. Above all, they are energy efficiency advocates. Today, they are overseeing billions of stimulus dollars, so it is a good time to engage them.

We are off and running, but there is much hard work to do to win federal funding for an education campaign, see that a tax incentive for mechanical insulation becomes law, and promote your products broadly. Given the high interest in energy efficiency, we are confident that decision-makers will embrace mechanical insulation.

We will update more on our efforts during the Annual Convention and look forward to your feedback.

Regards,
Michele M. Jones, CMP
Executive Vice President/CEO

1. NIA used core data from DOE SEN programs for large and medium industrial plants. NIA added estimates for small plants to calculate the market size and number of potential jobs.