

MARCH 31, 2011

**TUCSON TO WASHINGTON: NIA MEMBERS JOIN TOGETHER
TO MOVE THE NEEDLE ON MECHANICAL INSULATION**

Dear Member—

Let me begin with a big “Thank you!” to everyone who attended NIA’s 56th Annual Convention in Tucson last week. It was a great opportunity to take inventory of our progress and identify new avenues for success. I hope you all enjoyed seeing old friends and meeting new ones, and that you found the presentations and discussions helpful and productive.

One of the highlights of the Convention was a presentation on the progress of the Mechanical Insulation Education and Awareness Campaign (MIC). The campaign has already provided useful statistical data for the commercial and industrial markets that underscores the important benefits of mechanical insulation. Browser-based calculators that allow users to make common calculations in the design and analysis of mechanical insulation systems are now available for a variety of applications. In addition, the Department of Energy (DOE) will soon be rolling out a series of online webinar/training tools specific to mechanical insulation, which will be available free to all users. We also heard from Louise Moore, Chief, Energy and Pollution Prevention Bureau, Montana Department of Environmental Quality, about the insulation appraisals conducted throughout sites in state-owned and -operated facilities in Helena, and the states’ plans to install and/or upgrade the insulation on their mechanical equipment. As this program was also part of the MIC, our hope is to mimic it in other states. We’re excited about the success of the campaign, and are proud of the results.

The \$500,000 for the DOE campaign will be expended in six months, and more funding is necessary to ensure that outreach and education continue. We’ve been engaging key members of Congress to help us advocate for additional funding and the work we need to do, and so far we’ve had very positive progress. Representative Peter Visclosky (D-IN), the Ranking Member on the House Appropriations Energy and Water Subcommittee, held a productive meeting with Dr. Henry Kelley, Acting Assistant Secretary at DOE. During the meeting, Dr. Kelley reported on the status of the MIC and said that he was very supportive of the program and that DOE truly recognizes the value of mechanical insulation. According to our study, mechanical insulation improvements typically yield a payback period of one year—or less. We are happy to know that DOE recognized the benefits of mechanical insulation and that they have become interested in our industry. In the months ahead, we will continue to work with DOE and members of Congress to push for additional funding for our outreach and education campaign.

As those of you who were able to join us at the Convention heard, one potential challenge to our work in securing additional funding is Washington’s new focus on reducing federal spending. We’re keeping a close eye on this discussion, as it could have an impact on our efforts to secure additional funding for the education and awareness campaign, as well as our tax incentive legislation. However, we remain hopeful as we continue to make important strides in educating policymakers who can assist us.

To that end, we are still aggressively promoting our mechanical insulation tax incentive on Capitol Hill and have held several productive meetings with key members of Congress and their staff. Our meetings this month have included the offices of Representative Visclosky as well as Representatives Adrian Smith (R-NE), Dave Reichert (R-WA), Sander Levin (R-MI), and Dan Lipinski (D-IL), with whom we have discussed both the tax legislation and the funding for mechanical insulation outreach efforts. Senator Kirsten Gillibrand (D-NY) is planning to introduce the legislation in the Senate shortly, and we are hopeful that we will identify and secure a House champion very soon.

Again, I want to thank you for your ongoing support and involvement as we all work to communicate the importance of mechanical insulation. As you heard at the Convention, one of the most influential ways to persuade members of Congress to support our priorities is personal communication from their own constituents. With your continued participation and advocacy when we need it most, we can continue to make great strides in

promoting mechanical insulation and our industry, ultimately creating valuable jobs and increasing energy savings throughout the country. And, as I have mentioned before, please consider making a pledge to NIA's Foundation. We need your financial support to sustain our progress and to ensure the future success of our many programs. Stay tuned for more exciting NIA achievements just around the corner.

Regards,
Michele M. Jones
Executive Vice President/CEO