

JULY 2011

MECHANICAL INSULATION: THE ONE THING BOTH PARTIES CAN AGREE ON?

Dear Member,

Although Capitol Hill is consumed with bickering over the debt ceiling and spending cuts, seemingly to the exclusion of all other responsibilities, we continue to lay groundwork for when Congress returns to other business. We are forging ahead, meeting with congressional staffers and representatives to educate them about mechanical insulation, a refreshingly non-partisan issue with clear, undeniable benefits for the entire country.

In late July, we met with the offices of Senator Chris Coons (D-DE), Senator Thomas Carper (D-DE), Representative John Carney (D-DE), and Representative Daniel Lipinski (D-IL) to explain our mechanical insulation tax incentive legislation and ask for their support. We have also sent an e-mail blast to the cosponsors of H.R. 4296 on both sides of the aisle in the last Congress, as well as members of the House Manufacturing Caucus and other likely supporters.

We now have the draft language from legislative counsel for the bill for this Congress and are concentrating our efforts on gathering support in preparation for its introduction this fall. To refresh your memory, the Mechanical Insulation Installation Incentive Act would create incentives that encourage commercial and industrial entities to go beyond current minimum requirements, as defined by the American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE), in new construction or retrofit projects, as well as to execute timely maintenance of mechanical insulation systems. For new construction, the legislation would allow businesses to increase or accelerate the depreciation deduction for the incremental insulation cost based on the percentage of energy saved above the minimum ASHRAE requirements, up to a maximum of 30 percent. For maintenance, the tax legislation would allow businesses to increase their maintenance deductible expense up to a maximum of 30 percent of the energy saved in comparison to the heat loss from the insulation system that was originally installed versus no insulation value.

We also continue outreach to other sectors of the federal government. In August, Ron King will present a webinar to the Army Corps of Engineers on the benefits of mechanical insulation. The Corps is responsible for construction projects for the Army, Air Force, and some federal agencies, so educating this audience about installing and maintaining mechanical insulation properly could have a measurable impact on our country's energy efficiency—and the government's energy bill!

At the state level, we are excited to have a table-top display at the National Association of State Energy Officials' annual meeting in September. With states struggling to balance their budgets, they welcome ideas to help them reduce their energy costs, so this is another important audience for our message.

Even though Washington, D.C., is sweltering from both Mother Nature and all the manmade hot air on Capitol Hill, we are keeping our cool and staying focused on our goals. With your support, we will persevere against both heat indices above 110°F and partisan gridlock, working to promote our industry and what it can contribute to the welfare of our country.

Regards,
Michele M. Jones
Executive Vice President/CEO