

JANUARY 31, 2011

## **FACING A NEW ENVIRONMENT IN THE NEW YEAR: ADVANCING MECHANICAL INSULATION IN WASHINGTON**

Dear Member—

It's only one month into 2011, and already we are moving toward our legislative objectives for mechanical insulation! Although make no mistake about it—it's going to be a tough environment on Capitol Hill.

Members of Congress have returned to Washington, D.C., and are still organizing themselves for the new session. We've now learned the membership of most congressional committees, which will help guide our outreach efforts. You've also no doubt seen and read that the climate is very different than last year.

In just the past few weeks, we have met with 12 key House and Senate offices to discuss reintroduction of our mechanical insulation tax incentive legislation and other options for pursuing our legislative priorities, and each meeting has gone very well. We were fortunate to meet with the powerful Congressman David Camp (R-MI), the new Chairman of the House Ways and Means Committee. Since his committee must approve any tax legislation, including our mechanical insulation tax incentive, it is incredibly important to gain his insights. He and his staff were very receptive to us, and we will continue to work to build our relationship. We also met with the offices of Rep. Peter King (R-NY), Rep. Steve Israel (D-NY), Rep. Rush Holt (D-NJ), and Rep. Russ Carnahan (D-MO).

In addition, we held successful meetings with members of the U.S. Senate, including Sen. Jeanne Shaheen (D-NH), Sen. Joe Manchin (D-WV), Sen. Jeff Bingaman (D-NM), and Sen. Jay Rockefeller (D-WV). All four senators are great supporters of energy efficiency, and we are continuing to educate their staff about mechanical insulation and the immense value it can bring to energy efficiency and job creation. Over the next few weeks, we will continue to engage these offices and those of other key members to build further support, and also to explore how mechanical insulation can be incorporated into existing legislation.

This month, we were also excited to get preliminary results from our Mechanical Insulation Assessment Pilot Program with the State of Montana. Last October, we analyzed government facilities across the state to determine the energy efficiency opportunities available by repairing, replacing, and/or maintaining mechanical insulation systems. According to early estimates, performing the maintenance work on those buildings that were assessed will save the state approximately 8 percent per year on their energy costs and will make a complete return on their investment in just over 4 years. We've shared the impressive results with the members of Montana's congressional delegation, including Congressman Rehberg (R-MT), Senator Tester (D-MT), and Senator Baucus (D-MT), and look forward to sharing these and similar efforts as part of our larger outreach activities. We are very pleased with the results of this pilot program and believe the program can serve as a model to be replicated across the country.

In early February, we will head back to Capitol Hill to meet with additional members of Congress to share the benefits of mechanical insulation. Once our legislation is reintroduced, we will need your help to encourage your elected officials to lend their support and move mechanical insulation forward. Thanks again to all our members and staff for your efforts and support. We are also continuing to look at the other energy packages being discussed to see where our tax incentive and appropriation request may fit. It is clear that this 112<sup>th</sup> Congress will require a great deal of patience and constant communication for us to have our message heard or acted upon. With your continued participation, we hope to pass legislation and secure funding to help create more jobs in our industry while increasing energy savings across the country.

Regards,  
Michele M. Jones  
Executive Vice President/CEO