

MAKING PROGRESS IN 2011

THE NATIONAL INSULATION ASSOCIATION
Annual Report

2011–2012 Board of Directors



Front Row: Glenn Frye, *Performance Contracting, Inc.*; David Dzina, *Selle Insulation Co.*; Roger B. Crawford, *Low Country Insulation, Inc.*; Rick Smith, *E.J. Bartells*; Alec Rexroat, *M&O Insulation Co.*; Peter J. Gauchel, *L&C Insulation, Inc.*; Chuck Schattgen, *Superior Plus Construction Products Corp. (Winroc SPI)*

Back Row: Joe Leo, *Atlantic Contracting & Specialties, LLC*; Kartik Patel, *Armacell, LLC*; Mark Duppler, *Bay Industries, Inc.*; Dan Bofinger, *Superior Plus Construction Products Corp. (Winroc SPI)*; John Lamberton, *Irex Contracting Group*; J. Kenneth Freeman, *Petrin Corp.*; Steve Luse, *Luse Thermal Technologies*; Darrel Bailey, *Performance Contracting, Inc.*; Roddy Davoud, *Old Dominion Insulation, Inc.*; Mark Reed, *Zampell Companies*

Not Pictured: Gary Auman, *Dunlevey, Maban & Furry*; Michele M. Jones, *NIA Executive Vice President/CEO*; Jim Gribbins, *Gribbins Insulation Company, Inc.*; Tim Stout, *Hudson Bay Insulation Company*; Darryl Schimeck, *Atlantic Plant Services*; Doug Bolen, *Knauf Insulation GmbH*

NATIONAL INSULATION ASSOCIATION
12100 Sunset Hills Road, Suite 330, Reston, VA 20190

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Leadership Message



Dear NIA Members,

NIA made many exciting achievements in 2011, and we are proud to share them with you. We not only made legislative progress despite the continuing gridlock on Capitol Hill, but we wrapped up our Mechanical Insulation Education and Awareness Campaign, which produced statistical data for the industry as well as free and easy-to-use tools to help educate decision-makers about purchasing or specifying insulation. These tools will also help our members become better educated on ways to grow their businesses. We also continued to provide the products and services our members have come to expect, doing our best to ensure that you get the most value possible in return for your support.

None of our accomplishments would be possible without our members' participation and dedication, and we hope you are pleased with last year's results. Thank you for your continued support, and we look forward to building on our achievements together in 2012.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Alec Rexroat', written over a light-colored rectangular background.

Alec Rexroat
NIA President

A handwritten signature in dark ink, appearing to read 'Michele M. Jones', written over a light-colored rectangular background.

Michele M. Jones, CMP
Executive Vice President/CEO

NIA—the *voice* of the insulation
industry since **1953**

Mission and Board of Directors

NIA is a not-for-profit organization representing all facets of the commercial, industrial, and mechanical insulation industry. NIA is led by and paid for by its members and operates through a committee structure. These committees and various task forces review and assess issues and recommend actions to NIA's Board of Directors, which are then carried out by staff.

NIA's membership consists of both the merit (open shop) and union contractors, distributors, laminators, fabricators, and manufacturers. These companies provide thermal insulation, insulation accessories, and components to the commercial, mechanical, and industrial markets throughout the nation. Since 1953, the northern Virginia-based association has been the voice of the insulation industry and is dedicated to keeping the commercial and industrial insulation industry up to date on the latest industry trends and technologies.

Mission Statement

NIA's mission is to increase the success and professionalism of its membership through:

- strengthening and developing the insulation industry;
- elevating the image of the standards of the industry;
- keeping its members informed of important industry-related developments;
- serving as an effective industry representative with outside groups, such as government and labor.

Association Organization Chart



NIA's Board of Directors 2011–2012

NIA Executive Vice President/CEO

Michele M. Jones, CMP

President

Alec Rexroat, *McO Insulation Company*

President-Elect

Rick Smith, *E.J. Bartells*

Secretary/Treasurer

Roger B. Crawford, *Low Country Insulation, Inc.*

Assistant Treasurer

David Dzina, *Selle Insulation Co.*

Immediate Past President

Glenn Frye, *Performance Contracting, Inc.*

Regional Representatives

Jim Gribbins, *Gribbins Insulation Company, Inc.* (CSIA)

Joe Leo, *Atlantic Contracting & Specialties, LLC* (ESICA)

Steve Luse, *Luse Thermal Technologies* (MICA)

Roddy Davoud, *Old Dominion Insulation, Inc.* (SEICA)

J. Kenneth Freeman, *Petrin Corp.* (SWICA)

Tim Stout, *Hudson Bay Insulation Company* (WICA)

At-Large Representatives

Darrel Bailey, *Performance Contracting, Inc.*

Dan Bofinger, *Superior Plus Construction Products Corp.* (*Winroc SPI*)

Mark Duppler, *Bay Industries, Inc.*

John Lamberton, *Irex Contracting Group*

Mark Reed, *Zampell Companies*

Darryl Schimeck, *Atlantic Plant Services* (served May 2010–July 2011)

Associate Representatives

Doug Bolen, *Knauf Insulation GmbH*

Kartik Patel, *Armacell, LLC*

Past President Advisors

Peter J. Gauchel, *L & C Insulation, Inc.*

Chuck Schattgen, *Superior Plus Construction Products Corp.* (*Winroc SPI*)

Counsel

Gary Auman, *Dunlevey, Mahan & Furry*

Membership

NIA is the voice of contractors, manufacturers, distributors, fabricators, metal building laminators, and others in the commercial, industrial, and mechanical insulation industry. Membership in NIA is on an annual basis; in 2011 NIA represented 356 member companies, as well as 362 branch locations of those companies.

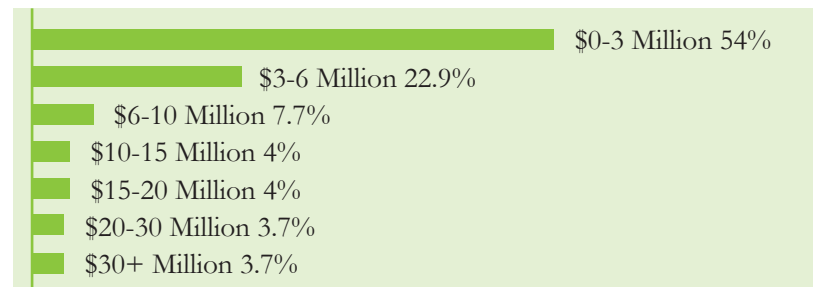
NIA members lead the association through a committee structure. In 2011, 13 committees met to fulfill their purposes and objectives, including reviewing issues and recommending actions to NIA's Board of Directors.

Active Members by Revenue Category

Active Members (Contractors, Distributors, Laminators, and Fabricators) by Size (Annual Revenue in Millions)

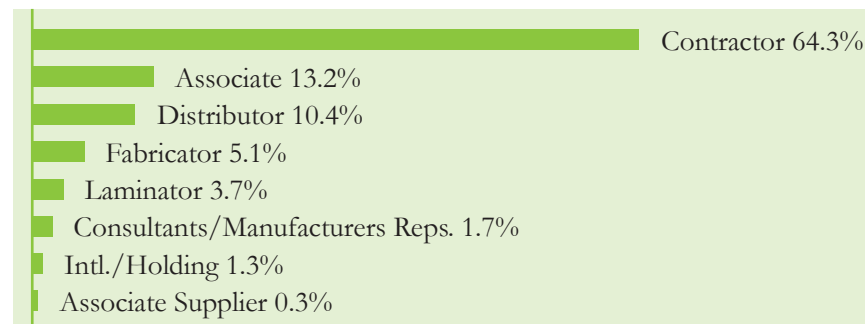
Contractors, distributors, fabricators, and laminators represent 83 percent of NIA's total membership. Seventy-seven percent of these members have annual sales of \$6 million or less:

Out of 297 active members:



Members by Membership Type

Member Demographics:



Union/Merit Contractor Demographics



"I believe that membership and participation in NIA
is a cornerstone to the *success* of our company."

—Rick Smith, CEO, E.J. Bartells

NIA Committee Structure

Industry-Specific Operating Committees

Associates Committee

Chairman: Doug Bolen, *Knauf Insulation GmbH*

Vice Chairman: Alan Shepherd, *Armacell, LLC*

The Associates Committee, composed of NIA's manufacturers, manufacturers' representatives, and associate suppliers, strengthens and expands the insulation industry through education, technical assistance, and association membership growth. In 2011, the committee:

- Reviewed and updated the Manufacturer By Product List.
- Discussed Product Life Cycle Analysis at the 2011 Convention and had a presentation on the topic at the 2011 Committee Days meeting by Jerry Phelan, Codes and Standards Advocate at Bayer MaterialScience.
- Members participated in the 2010 Industry Measurement Survey discussed by the committee at the 2011 Convention. See page 11 for details.
- The Associate Supplier NIA member category was created.
- David Cox with Owens Corning was elected as the Committee Secretary.

Distributor/Fabricator Committee

Chairman: Brian Farnsworth, *E.J. Bartells*

Vice Chairman: Ted McNabb, *Insulation Fabricators, Inc.*

The Distributor/Fabricator Committee promotes the value of the distributor/fabricator to the mechanical insulation industry, helps grow the industry, and provides ongoing education and training to the distributor/fabricator members. In 2011, the committee:

- Nominated Ted McNabb as Vice Chairman.
- Created a safety survey and distributed it to distributor and fabricator members.
- Held a joint meeting with the Associates Committee on Social Media during Committee Days.
- Updated the committee's Purposes, Objectives, and Actions.
- Discussed topics for guest speakers for the committee's 2012 NIA Convention meeting.
- Developed a task force to review and update the distributors' section of the NIA website.

Merit Contractor Committee

Chairman: Mark Reed, *Zampell Companies*

Vice Chairman: J. Kenneth Freeman, *Petrin Corp.*

The Merit Contractor Committee promotes the growth of the industrial and commercial merit contractor through education, training, and network exchange. In 2011, the committee:

- Updated committee members on current and pending legislation impacting merit contractors.
- Heard a presentation from Michael Bellaman, President and CEO of Associated Builders and Contractors, Inc.
- Developed a marketing plan to draw more merit contractors to Committee Days by promoting Mr. Bellaman's presentation.

Metal Building Laminators Committee

Chairman: Kelly Reed, *LeL Insulation & Supply Co.* (through March 2011); Mike McLain, *Bay Industries, Inc.* (since March 2011)

The Laminator Committee is composed of laminators of metal building insulation who are dedicated to developing and promoting industry standards and educational programs that will help members become more professional, productive, and profitable. In 2011, the committee:

- Reviewed the new ASHRAE 90.1-2010 Standard and related test results for prescriptive roof envelope assemblies performed by Laminator Member companies.
- Submitted a letter to ASHRAE in support of 90.1 addendum ab, which would add the R-19+R-11 Filled Cavity system to Table A2.3 in 90.1-2010.
- Discussed updating the website code map at www.insulatemetalbuildings.org now that the ASHRAE 90.1 tables are finished. Also discussed possibly adding training videos and freshening up the site with more graphics and less text.
- Worked on white papers to better educate legislators and others about metal building insulation lamination.
- Explored more communication between the committee, MBMA, NAIMA, MBCEA, and ASHRAE to develop a synergistic approach to common challenges.

NIA Committee Structure

Union Contractor Committee

Chairman: Steve Luse, *Luse Thermal Technologies*

Vice Chairman: John Lamberton, *Irex Contracting Group*

The Union Contractor Committee promotes the growth of industrial and commercial union contractors through education, training, productivity enhancement, and strong union relations. In 2011, the committee:

- Updated the committee's Purposes, Objectives, and Actions.
- Was joined by leaders of the International Association of Heat and Frost Insulators and Allied Workers at each meeting. The International updated the committee on issues such as the Labor Management Cooperative Trust and other issues affecting Union contractors.
- Discussed market conditions in each region of the country.

General Operating Committees

Health and Safety Committee

Chairman: Chris Handley, *Performance Contracting, Inc.*

Vice Chairman: Paul O'Hayre, *Irex Contracting Group*

The Health and Safety Committee is committed to the health, safety, and welfare of its members, customers, and the insulation industry. Through professional safety leadership, the committee actively promotes the highest standards of safety and health excellence to ensure a safe working environment. In 2011, the committee:

- Provided updates regarding the latest OSHA issues.
- Selected the 2010 Theodore H. Brodie Distinguished Safety Award winners and announced them at the 2011 Annual Convention. Winners included:
 - Large Distributor Category—Specialty Products & Insulation, East Petersburg, PA
 - Medium Distributor Category—Pacor, Inc., Cinnaminson, NJ
 - Large Contractor Category—Performance Contracting, Inc., Lenexa, KS
 - Medium Contractor Category—F&H Insulation, Inc., Kechi, KS

- Small Contractor Category—L&C Insulation, Inc., LaCrosse, WI
- Critiqued the 2010 safety award process and developed new award levels for the 2011 safety awards. These levels will be platinum, gold, silver, and bronze rather than first, second, and third place, allowing more than one applicant to win in each category and encouraging greater member participation.
- Conducted the Sixth Annual Safety Roundtable during the 2011 Committee Days meeting. During discussion about a future Roundtable, it was determined that the elements of the Roundtable will be incorporated into the agenda of the committee and the length of the committee meeting will be extended. There will be no additional charge to attend the committee meeting as there has been to participate in the Roundtable.

Membership Committee

Chairman: David Dzina, *Selle Insulation Co.*

Vice Chairman: Steve Brown, *K-FLEX USA, LLC*

The Membership Committee represents all membership types and identifies and recruits potential member companies, increases awareness of membership benefits, and encourages participation by NIA members. In 2011, the committee:

- Continued the development of the member testimonial program.
- Continued work on updating NIA's membership marketing brochure.
- Assisted staff with calls to members to encourage membership renewal and to promote the value of NIA membership and participation in the association.
- Provided amenities to new members and first-time attendees at the 2011 NIA Convention.
- Held a member orientation/reception for new and current NIA members at the 2011 Annual Convention. Chairman David Dzina updated members on all the benefits included in their NIA membership.
- Continued discussions about and secured funding and a vendor to create a video that explains NIA and the industry we serve, who its members are, and why potential members should join NIA.
- Discussed creating a flyer of talking points for distributor members to use when recruiting new members.

NIA Committee Structure

Technical Information Committee

Chairman: Mike Resetar, *Armacell, LLC*

Vice Chairman: Allen Dickey, *Pittsburgh Corning Corp.*

Secretary: Richard Berry, *Nomaco Insulation*

The Technical Information Committee (TIC) serves as a forum for identifying and addressing technical issues confronting NIA members. In 2011, the committee:

- Met four times to review the technical materials for NIA and *Insulation Outlook* magazine.
- Provided technical assistance to NIA's partners and members.
- Reviewed all technical articles for the 11 issues of *Insulation Outlook* magazine and suggested topics for future issues.
- Reviewed and updated the Insulation Science Glossary, Guide to Insulation Product Specifications, and Insulation Materials Specification Guide.
- Reviewed the products and services offered by NIA and made suggestions for the 2012 offerings.
- Audited the technical accuracy of the NIA training classes.
- Researched topics and speakers for the 2012 Convention Technical Paper Presentations and updated the review process guidelines.

Website Committee

Chairman: Roger B. Crawford, *Low Country Insulation, Inc.*

Vice Chairman: Richard Berry, *Nomaco Insulation*

The Website Committee is responsible for the content and promotion of *Insulation.org*. It strives to make the website as comprehensive and useful as possible to industry members and the public. In 2011, the committee:

- Reviewed website visitor statistics and discussed how to increase the value of the site to members and non-members.
- Reviewed bid results from the Request for Proposals to redevelop the website, which were significantly higher than anticipated. The project was put on hold pending the ability to raise funds for it.
- Reviewed a proposed new look for the site produced by staff and discussed improvements to the site navigation and other functionality.
- Discussed Search Engine Optimization techniques for the site and how to improve search engine rankings.

Standing Committees

2011 Convention Committee

Chairman: Alec Rexroat, *Me&O Insulation Company*

The Convention Committee works with NIA staff to develop and coordinate education programs and entertainment for the NIA Convention. In 2011, the committee:

- Successfully completed the 2011 Convention in Tucson, Arizona. See page 19 for a summary.

Finance Committee

Chairman: Rick Smith, *E.J. Bartells*

The Finance Committee met in March 2011 to review the FY 2011–2012 budget developed by NIA staff. This budget was approved by the NIA membership at the Business Session during the 2011 Convention in Tucson, Arizona.

Foundation Steering Committee

Co-Chairmen: Steve Oslica, *Pittsburgh Corning Corp.*, and Rick Smith, *E.J. Bartells*

The Foundation Steering Committee develops and implements strategies and recommends processes to advance and expand the commercial and industrial insulation industry. See page 11 for a complete list of Foundation activities.

Nominating Committee

Chairman: Alec Rexroat, *Me&O Insulation Company*

The Nominating Committee is responsible for identifying and appointing officers of NIA's Board of Directors, including At-Large Representatives.

Products and Services

Products

In 2011, 53 products and services were offered by NIA in the following categories: Brochures/Posters, DVDs, Health and Safety, Manuals/Publications, and Training. *The Power of Insulation* brochure was updated and reprinted.

Some of the top-selling products in 2011 were: Contren, Craft Training DVDs, *National Commercial and Industrial Insulation Standards Manual*, and the *Safety Handbook for Insulation and Abatement Workers*.

For a complete list of NIA's products, visit www.insulation.org/products.

Member Favorites

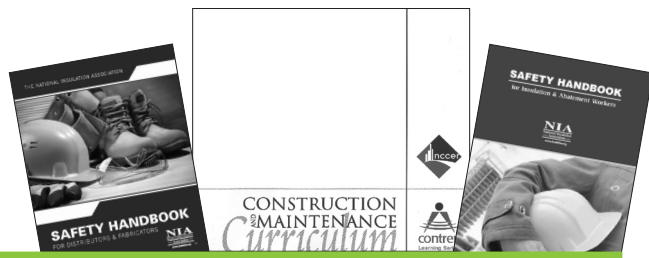
Contren (formerly Wheels of Learning)

Craft Training DVDs

National Commercial and Industrial Insulation Standards Manual

Safety Handbook for Distributors/Fabricators

Safety Handbook for Insulation and Abatement Workers



Services and Other Resources

In 2011, NIA offered a number of free services/resources exclusively to members, including:

- The NIA Members Only website, featuring committee meeting minutes, NIA logo for download, and Human Resources Forms and Documents such as employment applications, employee termination forms, evaluations, job descriptions, new employee forms, offer letters, safety checklists, and time-off request forms
- One inquiry a month for regulatory advice from NIA's general counsel
- Online Job Board at *Insulation.org*
- *NIA News*, an exclusive member newsletter
- A new digital version of *NIA News*
- Exclusive meetings and discounts on registration for other events
- *Insulation Advocate*, an update on NIA's Capitol Hill activities

New and updated online resources include:

- Guide to Insulation Product Specifications
- Insulation Science Glossary
- Insulation Materials Specification Guide
- Manufacturers' Technical Literature (MTL) Product Catalog
- Mechanical Insulation Design Guide
- NIA Speaks (online presentation map)

Partnerships with vendors provided special discounts on everyday services to members, including:

- Associated Resource Group (ARG) discounts for all members' voice and data service needs, along with a free initial analysis
- Solveras discounts on credit card technology and processing options, along with a free initial analysis

Communications

Websites

www.insulation.org

In 2011, improvements to the *Insulation.org* website included:

- Setting up Google Analytics
- Rebuilding the MTL Product Catalog
- Improving the site's Google ranking
- Adding digital editions of *NIA News* issues to Members Only

www.InsulationOutlook.com

Improvements to the site in 2011 included:

- Updating the articles archive
- Adding new bonus content
- Creating the 2011 Advertisers page

www.InsulateMetalBuildings.org

This website is designed to provide up-to-date information on energy code compliance for pre-engineered metal building systems, the use of NIA Certified Faced Insulation®, and metal building insulation assemblies and proper installation that comply with the American Society for Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE) 90.1 and other state energy codes.

www.wbdg.org/midg

The National Institute of Building Sciences, through the National Mechanical Insulation Committee, developed the Mechanical Insulation Design Guide (MIDG) to provide a comprehensive source of information on the design objectives, system selection, installation, and maintenance of mechanical insulation systems in buildings and industrial facilities. In 2011, the site was updated with:

- New calculators: Personnel Protection Calculator for Horizontal Piping, Temperature Drop Calculator for Air Ducts, and Temperature Drop Calculator for Hydronic Piping
- Updated Materials and Systems and Design Objectives sections

Social Media

NIA disseminates information through social media websites, including its Facebook page (www.facebook.com/NIAinfo) and NIAInfo and InsulationInfo on Twitter.

- NIA currently has 229 people who “like” our NIA Facebook page and 359 Twitter followers for InsulationInfo, with 79 following NIAinfo.
- NIA events, products, publications, and activities were promoted through social media.

E-News Bulletin

The E-News Bulletin is a free e-newsletter that provides updates on NIA events, training courses, and products, as well as mechanical insulation industry news. Anyone may subscribe by filling out a short form on www.insulation.org. The subscriber list currently contains 2,618 e-mail addresses.



Publications

NIA News

NIA News is produced five times per year and is available exclusively to members as part of their dues. In 2011, it was distributed to more than 1,500 NIA members per issue. In addition, a new digital edition was created to offer members a new way to receive their news. A link to the digital version of each issue was e-mailed to more than 1,650 members.

Insulation Outlook

Eleven times a year, *Insulation Outlook* provides practical information about mechanical insulation's value, uses, applications, and economic benefits to its audience of 11,550 subscribers. Members receive this magazine as part of their membership dues.

Circulation

Insulation Outlook was sent to numerous industry-relevant tradeshows and events, such as the NASEO/ASERTTI Energy Policy and Technology Outlook Conference, CSI Construct 2011, World Energy Engineering Conference, Global-Con 2011, West Coast Energy Management Congress, MetalCon International, NASEO's Annual Meeting, Alliance to Save Energy EE Global Conference & Tradeshow, RCI Building Envelope Technology Symposium, RETA 2011 Heavy Equipment Show Conference, IIR 2010 Industrial Refrigeration Conference, the regional associations' annual meetings, and the NIA Annual Convention and Committee Days meetings.

Insulation Outlook's circulation metrics at the end of 2011 were:



Editorial

A wide variety of editorial topics were covered in 49 articles during 2011. All the articles were uploaded to the Technical Articles database at www.insulation.org/articles/. Also, an advertorial section focusing on members' industry forecasts ran in the March/April double issue.

Advertising

Insulation Outlook surpassed its 2011 budgeted revenue targets.

Insulation Outlook offers individual ads as well as three advertising packages designed to reward frequent advertisers with extra exposure: Select 4, Preferred 7, and Premier 12. Descriptions of the package benefits can be found at www.InsulationOutlook.com/io/pdf/2011_Bonus_Programs.pdf.

Our appreciation and recognition go out to the 2011 Premier 12, Preferred 7, and Select 4 advertisers:

Premier 12 Advertisers

Access Plug Flange, Inc.
Aeroflex USA, Inc.
Armacell, LLC
GTA-NHT, Inc. (Venture Tape)
Ideal Tape Co., Inc.
Industrial Insulation Group, LLC
Johns Manville
Knauf Insulation GmbH
Lewco Specialty Products, Inc.
MFM Building Products Corp.
No Sweat Valve Wraps, Inc.
Owens Corning
Polyguard Products, Inc.
Rock Wool Manufacturing Co.

Preferred 7 Advertisers

Auburn Manufacturing, Inc.
CertainTeed Corp.
Extol of Ohio
K-FLEX USA, LLC
MABI AG
Midwest Fasteners, Inc.
Performance Contracting, Inc.
Proto Corp.
Shurtape Technologies, LLC
Unifrax I, LLC

Select 4 Advertisers

Amity Insulation Group, Inc.
Caldwell Insulation, Inc.
Pittsburgh Corning
Roxul, Inc.

Foundation for Education, Training, and Industry Advancement

In 2011, NIA's Foundation for Education, Training, and Industry Advancement continued promoting the mechanical insulation industry to thousands of end users, specifiers, architects, energy managers, plant operators, building owners, facility managers, government agencies, and others.

Outreach and Awareness

Strategic Partnerships

NIA maintained a strong list of 15 strategic industry partners:

- The American Institute of Architects (AIA)
- American Society of Heating, Refrigerating, and Air-Conditioning Engineers (ASHRAE)
- American Society of Mechanical Engineers (ASME)
- The Association of Energy Engineers (AEE)
- Association for Facilities Engineering (AFE)
- The Construction Specifications Institute (CSI)
- Department of Energy (DOE)
- Energy Future Coalition (Rebuilding America Coalition)
- Industrial District Energy Association (IDEA)
- Mechanical Contractors Association of America (MCAA)
- National Association of State Energy Officials (NASEO)
- National Institute of Building Sciences (NIBS)

- Plumbing-Heating-Cooling Contractors Association (PHCC)
- Refrigerating Engineers & Technicians Association (RETA)
- Technical Association for the Pulp & Paper Industry (TAPPI)

Chapter and National Presentations

In 2011, NIA continued its presentations to strategic partners, both in person and online, on insulation's value and its role as an energy efficiency technology. The presentations reached more than 300 engineers, specifiers, architects, and other individuals with significant influence on the design, selection, and purchasing of—and ultimate decision making about—mechanical insulation.

Industry Measurement Survey

In January, NIA's Foundation conducted the Industry Measurement Survey. The results indicated that the commercial and industrial mechanical insulation market is beginning to recover from the effects of the overall economic downturn. From 2009 to 2010, the overall market grew 4.9%, ending just south of \$10 billion (\$9.9 billion), after decreasing by 27.4% from 2008 to 2009. While the percentage of 09–10 growth is impressive in today's market, it is unfortunately beginning from a smaller base. However, it appears the industry has found the bottom and is beginning the road to recovery. For more information about this survey, visit www.insulation.org.

MAJOR energy efficiency gains, emissions cuts, **106%** annual return, and shovel-ready job creation are possible with greater use of **MECHANICAL INSULATION** in the industrial maintenance market segment.

Foundation for Education, Training, and Industry Advancement, contd.

Mechanical Insulation Education and Awareness Campaign (MIC)

In 2011 the Foundation continued its work on the subcontract from the U.S. Department of Energy's (DOE's) Industrial Technologies Program to develop a comprehensive Mechanical Insulation Education and Awareness Campaign (MIC). As part of DOE's efforts to improve energy efficiency of the U.S. industrial and commercial sectors, their project coordinating contractor, Project Performance Corporation, and NIA, in conjunction with its alliance with the International Association of Heat and Frost Insulators and Allied Workers, are working together to design, implement, and execute the MIC.

The program's two key objectives are to:

- Educate industry on and promote the benefits of mechanical insulation by providing practical data and case studies outlining potential energy savings provided by mechanical insulation installation.
- Launch an aggressive public education and awareness campaign on the heels of President Obama's call to action to combat climate change and improve energy efficiency.

To date, this campaign has developed the following data and tools.

Industrial Segment Data

The focus within the industrial sector included updating the original Oak Ridge National Laboratory (ORNL) data from February 2009 and further defining the data by market segment. Working with the DOE's Industrial Technologies Program, ORNL, and PPC, NIA examined a database that included an 83% increase in assessments through May 2010.

NIA and its partners in this effort estimate that mechanical insulation could

deliver annually \$3.7 billion in energy savings and reduce 37.9 million metric tons of carbon emissions, with a return on investment in 11.3 months (106% annual return) from simple maintenance of mechanical insulation in industrial/manufacturing plants. NIA estimated this maintenance work would create over 27,000 jobs per year for insulation contractors, of which 90 to 95 percent are small businesses, in all 50 states. Those 27,000 jobs support other industry channels with job opportunities of more than 13,000, bringing the total job creation opportunity to 40,000. NIA also noted that 95 percent of materials required for these opportunities are made in the United States, with most of the balance made in Canada.

Commercial Segment Data

Data development and research in the commercial building market included schools and hospitals in each of the seven U.S. climate zones. Areas of focus included determining mechanical insulation's role in those segments and the potential value of increasing the use of mechanical insulation.

The study showed that mechanical insulation saves as much as 85 billion Btu per year per commercial building. Savings varied with building function and purpose, from a high of 85 billion Btu for hospitals to 0.28 billion Btu for schools.

For the schools studied, it is estimated that mechanical insulation saves, on average, 13 kBtu/sf/yr of the site energy usage (about 20% of the total usage). For hospitals, the energy savings from mechanical insulation are estimated to average about 149 kBtu/sf/yr (roughly 78% of the total site energy usage). These large numbers highlight the importance of mechanical insulation in commercial buildings.

For hospitals, the energy savings from mechanical insulation are estimated to average about **78%** of the total site energy usage.



Montana Mechanical Insulation Energy Assessment

The commercial data development also included a pilot program with the State of Montana to determine the potential energy savings of increased maintenance of mechanical insulation in their government facilities in and around Helena, Montana.

A mechanical insulation energy appraisal was conducted on 56 mechanical rooms in 25 State of Montana facilities in Helena, Montana. The objective of the Pilot Program was to determine the energy, cost, and emission reduction opportunities available via the repair, replacement, and/or maintenance of mechanical insulation systems in Montana's State facilities.

Overall, in the 56 mechanical rooms visited, 3,500 items were identified. Calculations determined the energy savings to be approximately 6 billion Btu per year, and the overall payback period was 4.1 years, with an annualized rate of return of 24%. These projected savings are primarily in natural gas usage and represent roughly 8% of the total natural gas consumption of the facilities analyzed. Associated reductions in CO₂ emissions are estimated at 300 Metric Tonnes per year. On a square foot of gross building area basis, the energy savings averaged 4.6 kBtu/sf/yr, while energy cost savings averaged \$0.043/sf.

Simple Calculators

Simple calculators related to mechanical insulation in the Mechanical Insulation Design Guide are now also accessible through the DOE's Industrial Technologies Program's Software Tools website.

The eight calculators are:

- Energy Loss, Emission Reduction, Surface Temperature, and Annual Return for Equipment
- Energy Loss, Emission Reduction, Surface Temperature, and Annual Return for Piping
- Financial Returns/Considerations
- Condensation Control Calculator – Horizontal Pipe
- Time for Freezing of a Fluid in an Insulated Pipe
- Temperature Drop for Hydronic Piping
- Temperature Drop for Air in Ducts
- Personnel Protection for Horizontal Piping

These calculators are useful for the beginner or experienced professional in the construction, design, specification, maintenance, management, and budgeting fields. They were developed for MIDG by the MIC.

“We were pleasantly surprised by the results of our **MECHANICAL INSULATION** energy assessment pilot program. We found that small items added up to large savings and that **MECHANICAL INSULATION** provides opportunities for quick projects with good energy savings and return on investment. We will continue to assess **MECHANICAL INSULATION** savings opportunities in more buildings.”

—Lou Moore, Chief, Energy and Pollution Prevention Bureau, Montana Department of Environmental Quality

Foundation for Education, Training, and Industry Advancement, contd.

Mechanical Insulation Smartphone App

Based on the MIDG Financial Returns/Considerations Calculator, this app helps quickly determine the financial returns related to investments in mechanical insulation. It can be used for an overall project or a small investment such as insulating a valve or replacing a section of insulation.

The app is available for Android phone users in the Android Market—just search for “mechanical insulation.”

E-Learning Modules

Online training videos scheduled for release in early 2012 will be self-paced and available 24/7. As part of the MIC, these modules will be available at no cost:

Module 1: Educational Series Introduction and Defining Mechanical Insulation

Module 2: Benefits of Mechanical Insulation

Module 3: Mechanical Insulation, Science & Technology

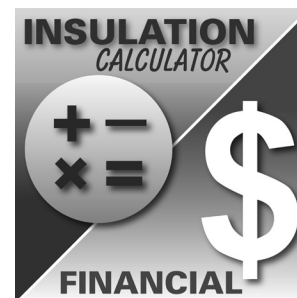
Module 4: Mechanical Insulation Design Objectives and Considerations

Module 5: Mechanical Insulation Maintenance

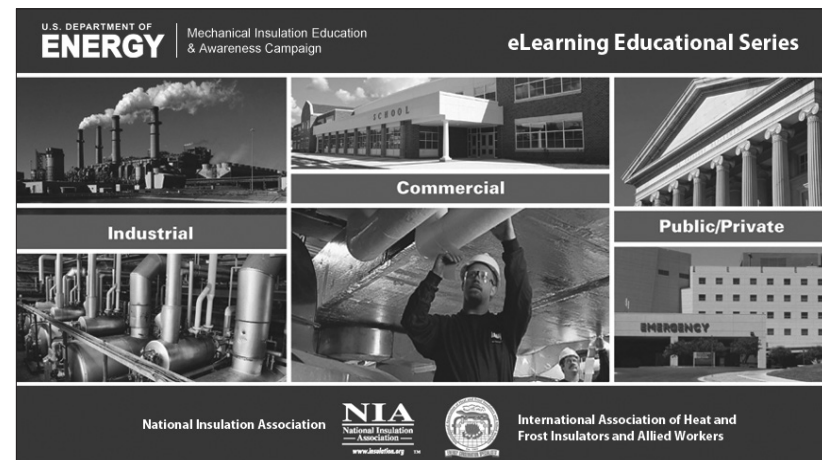
Look for these modules soon on www.insulation.org.

Marketing and Advertising

The MIC marketing program also includes a marketing effort that will target both industrial and commercial markets using mechanical insulation. The marketing pieces are expected to be complete in 2012.



Look for this icon in the Android Market.



Capitol Hill Legislative Strategies, Actions, and Initiatives

NIA's Foundation continued making huge strides in getting mechanical insulation recognized on Capitol Hill and at the state level as an energy-saving technology. In 2011 the Foundation:

- Conducted more than 100 meetings on Capitol Hill.
- Got both H.R. 2866 and S. 1526, the Mechanical Insulation Installation Incentive Act bills, introduced in both the House of Representatives and the Senate.
- Held a Mechanical Insulation Industry Showcase on behalf of the House Manufacturing Caucus.
- Began working to have mechanical insulation included as a core competency in the implementation of the Federal Buildings Personnel Training Act.

Mechanical Insulation Installation Incentive Act

H.R. 2866/S. 1526 would create up to a 30% tax deduction to encourage commercial and industrial entities—like manufacturing facilities, office buildings, schools, hospitals, power plants, hotels, and universities—to go beyond minimum mechanical insulation requirements in new construction and retrofit projects and increase their maintenance activities. Conservative estimates indicate that over a 5-year implementation period, this legislation could save \$35 billion, reduce 170 million metric tons of CO₂, and create more than 25,000 jobs for skilled craftsmen in all 50 states within weeks or months, not years.

Rep. Manzullo (R-IL) praised H.R. 2866 and the Montana Insulation Assessment Pilot Program in his Mechanical Insulation Industry Showcase remarks. After his speech, he and NIA Past President Ron King examined insulation samples and discussed how they are used.

H.R. 2866

- Representatives Don Manzullo (R- IL) and Tim Ryan (D-OH) introduced this bill in September 2011.
- NIA submitted H.R. 2866 to the Joint Committee on Taxation for scoring. (All tax incentives must be “scored” to determine their cost.)

S. 1526

- S. 1526, the companion bill to H.R. 2866, was introduced by Senators Kirsten Gillibrand (D-NY) and Mike Johanns (R-NE) in September 2011.



Foundation for Education, Training, and Industry Advancement, contd.

Mechanical Insulation Industry Showcase

NIA held the first-ever Mechanical Insulation Industry Showcase in the Rayburn House Office Building on Capitol Hill in Washington, D.C., in October 2011. Display materials and insulation samples illustrated the functions and benefits of mechanical insulation, and the MIDG Simple Calculators were demonstrated live to show how easily mechanical insulation's benefits can be quantified.

The Showcase was sponsored by House Manufacturing Caucus Co-Chairs Representatives Don Manzullo (R-IL) and Tim Ryan (D-OH), also original cosponsors of the Mechanical Insulation Installation Incentive Act (H.R. 2866/S. 1526).

Strategic Partnership Collaborations

- Ron King, NIA Past President and Consultant, was appointed Chairman of the National Institute of Building Sciences' (NIBS) Consultative Council in 2011, having previously served as Vice Chair. The Consultative Council advises and supports the Institute by making recommendations for presentation to the President of the United States on developing and applying science and technology to improve the built environment. In addition, Mr. King served as Chairman of the National Mechanical Insulation Committee and thus a member of the NIBS Coordinating Council.
- NIA was a featured presenter in a webinar held by the National Association of State Energy Officials (NASEO). Webinar presenters also included NASEO, DOE, and the Montana Department of Environmental Quality. The webinar was held to educate state energy officials about the Mechanical Insulation Energy Assessment Program's value as an effective way to spend their state's American Recovery and Reinvestment Act funds.
- On September 19, NIA presented a webinar for the National Association of State Facilities Administrators (NASFA) featuring the Montana pilot

program, its impressive results, and why all states should take advantage of the remarkable savings opportunities with mechanical insulation.

- On August 23, NIA participated in a webinar produced by NIBS for the U.S. Army Corps of Engineers. The webinar attracted 47 attendees, who learned about the Mechanical Insulation Design Guide, the Simple Calculators, and the Montana pilot program.
- NIA presented "Techniques to Avoid Corrosion Under Insulation (CUI)" to attendees at the annual Refrigerating Engineers & Technicians Association (RETA) meeting.



NIA Executive Vice President/CEO Michele Jones, Congresswoman Janice Hahn (D-CA), and NIA President Alec Rexroat discussed the importance of insulation.



External Communications

As part of the Foundation's activities, NIA:

- Delivered numerous letters from NIA member companies to Capitol Hill in support of H.R. 2866/S. 1526.
- Provided mechanical insulation awareness presentations to external and internal audiences of more than 300 engineers, specifiers, facility maintenance managers, estimators, craftsmen, etc.
- Developed and updated numerous pieces of collateral for "leave-behind" meeting packets on Capitol Hill.
- Joined several other construction-related organizations in signing a letter asking the President and Congress to enact transportation and appropriation bills and extend expiring tax provisions to put construction businesses back to work.
- Took NIA members to Capitol Hill during Committee Days to meet with House offices to educate congressional staff about mechanical insulation and promote our tax incentive legislation, H.R. 2866.

Member Communications

In 2011 NIA kept members informed about its activities, especially the Capitol Hill initiative, by:

- Publishing five articles about our legislative activities in *NIA News*, including an article by Mike Fulton, GolinHarris, on the increased support from Capitol Hill for mechanical insulation.

- Publishing six articles about the efforts in *Insulation Outlook* magazine.
- Updating www.insulation.org/mimi with information for members about contacting their representatives and senators to request their support of H.R. 2866 and S. 1526.
- Presenting industrial and commercial perspective sessions, featuring speakers from the DOE, Dow Chemical Company, PPC, and the Montana Department of Environmental Quality, during the 2011 Annual Convention.
- Updating the regional insulation associations and TIAC on NIA activities during their annual meetings.

Legislative and Public Affairs Activity

GolinHarris and the Keelen Group

This year NIA and the Foundation added The Keelen Group to our team. This firm specializes in lobbying energy matters and has a strong connection to the Republican side of the aisle, whereas GolinHarris has strong connections to the Democratic side. With this new strategy in place, NIA is able to reach more legislators than ever before to further our message and garner support for our tax deduction bills.

Training Programs

Training and Education

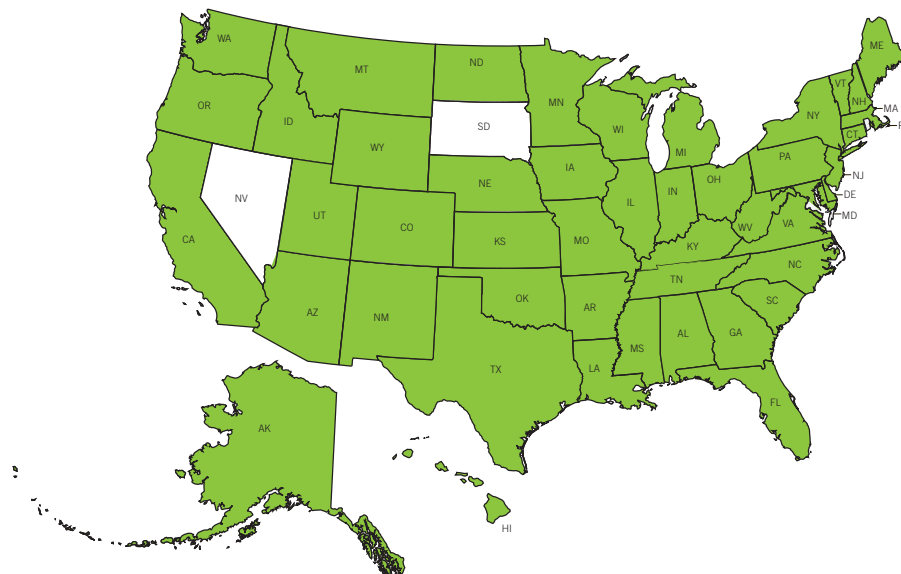
NIA offered three training programs to members and organizations that make decisions about purchasing mechanical insulation: the Insulation Education and Awareness course, the Insulation Energy Appraisal Program (IEAP), and the National Insulation Training Program (NITP). In 2011 NIA added an educational webinar series on the Simple Calculators.

- **Insulation Education and Awareness Course:** This half-day course introduces the concept of mechanical insulation and how it can reduce energy consumption and greenhouse gas emissions, be part of a safety program, increase manufacturing productivity, eliminate or at minimum reduce corrosion under insulation, and provide a quick return on investment.
- **Insulation Energy Appraisal Program:** This 2-day accredited class teaches students how to review mechanical system specifics and use the 3E Plus® Version 4.0 software to determine the optimal insulation thickness and corresponding energy and dollar savings for a project. Students who attend the course and pass the exam become Certified Insulation Energy Appraisers. All current NIA-member certified appraisers are listed on www.insulation.org.
- **National Insulation Training Program:** The NITP class reviews and reinforces why we insulate mechanical and process systems, presents a process for designing an insulation system, and familiarizes and provides students with information and tools that make insulation system design and specification easier and more accurate.
- **NEW Educational Webinar Series, Summing Up the Financial Value:** NIA offered two 1-hour webinars to help members understand the functionality of the Simple Calculators available on the MIDG and how to apply these tools to build business. Archives of these webinars are available for those unable to participate.

In 2011, NIA saw continued interest in training programs:

- Held two Insulation Education and Awareness courses—51 students
- Held 15 IEAP courses—269 new appraisers certified
- Held one NITP course
- Held two webinars—80 registrants
- There are 897 total Certified Insulation Energy Appraisers

States with Certified Insulation Energy Appraisers*



*States with Certified Insulation Energy Appraisers are in green.

“Terrific!! [The webinar] was the best hour I have had in a while.”
—David Cox, Owens Corning

Meetings

NIA Annual Convention

The Westin La Paloma
Tucson, Arizona
March 23–26, 2011

In March, NIA held the 56th Annual Convention in Tucson, Arizona, with the theme “Mechanical Insulation: Leading Today for a Greener Tomorrow.” NIA members and guests came together to gain industry knowledge from educational sessions and committee meetings and to connect with business partners and colleagues at multiple networking events, including the VIP/First-Timers Reception, Welcome Reception, Appreciation Night, the first-ever Texas Hold ‘Em Poker Tournament, Manufacturers’ Dessert Hospitality Suites, Golf Tournament, and the President’s Gala Reception, Dinner, and Dance. The 2011 Convention had 350 attendees, of which 36 were first-time attendees. The 118 Active Members participating included 67 contractors, 36 distributors, 4 fabricators, and 11 laminators. There were 91 manufacturers/consultants, 7 TIAC members, 111 spouses and guests, and 23 others, including speakers and industry guests.

General Sessions presented at Convention included:

- “The Mechanical Insulation Marketing Initiative: Mechanical Insulation and Capitol Hill – A Match Made in Heaven?” presented by Michael Fulton, Executive Vice President, GolinHarris
- “The Department of Energy’s Mechanical Insulation Education and Awareness Campaign Takes Off!” presented by Craig S. Cheney, Senior Vice President and Director of Environmental Consulting and Program and Project Management Consulting, Project Performance Corporation; Scott G. Hutchins, Partnership Development, Industrial Energy Efficiency, U.S. Department of Energy; and Ronald L. King, NIA Past President and Consultant
- “Industrial Perspective: How Mechanical Insulation Plays a Vital Role in the Save Energy Now Leaders Program and the Superior Energy Performance Program,” and “Tips, Tricks, and Tales from an End User” pre-



Based on **Convention survey** responses, **86%**
of attendees made new business contacts and
67% gained new industry knowledge.

sented by Craig S. Cheney, Senior Vice President and Director of Environmental Consulting and Program and Project Management Consulting, Project Performance Corporation; and Frederick “Fred” P. Fendt, P.E., Energy Efficiency and Conservation Team Leader, Dow Advanced Materials, The Dow Chemical Company (formerly Rohm and Haas)

- “Commercial Perspective: A State’s Look at the Value of Mechanical Insulation Maintenance and Upgrades through the Energy Appraisal Process” presented by Chris Crall, NIA Technical Consultant; Ronald L. King, NIA Past President and Consultant; and Louise Moore, Chief, Energy and Pollution Prevention Bureau, Montana Department of Environmental Quality
- “More than Meets the Eye” by Keynote Speaker Joan Brock

Industry Roundtable topics included:

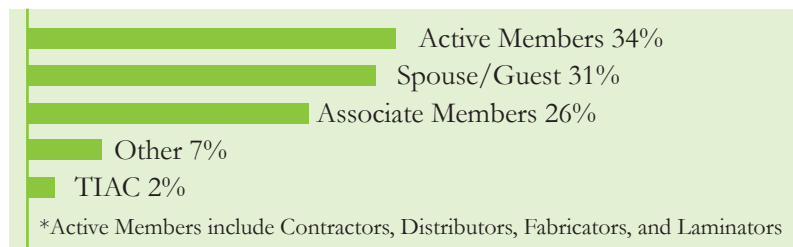
- Safety Best Practices
- Mechanical Insulation’s Future in the U.S. Energy Mix
- Health Care Reform
- Free DOE Tools Designed for Mechanical Insulation

Technical Paper Presentation topics included:

- Causes and Prevention of Corrosion on the Interior Surface of Metal Insulation Jacketing
- Specialized Reflective Metal Insulation for Use in Nuclear Containment Applications
- Energy Codes: Insulation Thickness Requirements

Meetings, contd.

NIA Member Convention Participation



A special thank-you to sponsors, who contributed to the success of NIA's Annual Convention:

Convention Badge Holder Sponsor:

Johns Manville Corp.

VIP and First-Timers

Reception Sponsor: *Aeroflex USA, Inc.*

NIA Member Orientation Sponsor:

Performance Contracting, Inc.

Golf Tournament Sponsors

Hole-in-One Sponsor:

Knauf Insulation GmbH

Longest Drive Sponsor:

Morgan Thermal Ceramics

Closest to the Pin Sponsor: *Proto Corp.*

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Registration Packet Sponsors:

Armacell, LLC

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Committee Days

L'Enfant Plaza Hotel

Washington, D.C.

November 8–9, 2011

The 2011 Committee Days meeting was attended by more than 80 members. Operating committees met to reflect on NIA and Foundation accomplishments and discuss market trends, action items, and current and future association activities. Attendees networked during the Tuesday afternoon lunch and reception that evening and met each day in committee meetings.

Educational opportunities included:

- Henry L. Green, president of NIBS, addressed the ever-changing building industry during his luncheon presentation.
- NIA Past President and Consultant Ronald L. King highlighted Foundation activities, including legislative strategies and the MIC e-Learning Modules, as well as NIA's partnership with the DOE and NIBS.
- The Health and Safety Roundtable discussed safety issues in the insulation industry with contractors and distributors. Sixteen members participated in this year's session.



NIA Financials 2010–2011

Revenue

Membership Dues	\$630,986.00
Convention	\$322,245.00
Publications & Communications	\$818,922.00
Educational Programs	\$28,236.00
Net Investment Income	\$75,855.00
Total Revenue	\$1,876,274.00

Expenses

Association Activities	\$612,705.00
Convention	\$307,766.00
Publications & Communications	\$775,299.00
Educational Programs	\$8,455.00
Total Expenses	\$1,704,225.00

Foundation

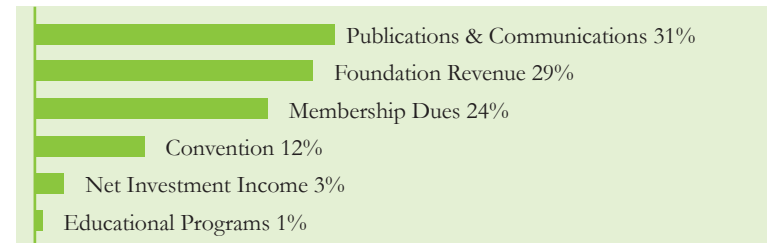
Revenue

Foundation Revenue	\$787,975.00
09–10 Carry Forward	\$32,247.00
	\$820,222.00

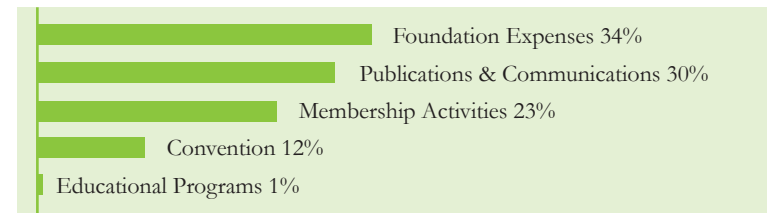
Expense

Foundation Expenses	\$910,761.00
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Revenue



Expenses



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Public and Legislative Affairs

GolinHarris and The Keelen Group



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