

October 4, 2011

The Honorable Max Baucus  
Chairman, Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Orrin Hatch  
Ranking Member, Committee on Finance  
219 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Baucus and Ranking Member Hatch:

We are a broad coalition of construction, manufacturing, energy efficiency and labor groups writing to express our **strong support for S. 1575, the Energy-Efficient Cool Roof Jobs Act, bipartisan legislation introduced by Senators Ben Cardin (D-MD) and Mike Crapo (R-ID)** that would remove an obstacle in the tax code that is hindering job creation as well as the advancement of energy-efficiency within the commercial building sector. We urge its quick consideration by the Finance Committee and/or its inclusion in any tax reform, energy or jobs-related tax legislation.

Unemployment in the construction industry remains an alarming 13.5 percent and any recovery in commercial construction is uncertain at best in the foreseeable future. By accelerating demand for energy-efficient commercial roofs, S. 1575 would:

- Create nearly **40,000 new jobs** among roofing contractors and manufacturers;
- Add **\$1 billion of taxable annual revenue** in the construction sector;
- Save \$86 million in energy costs in the first year;<sup>1</sup> and
- Eliminate and offset carbon emissions by 1.2 million metric tons (equal to emissions of 229,000 cars).<sup>2</sup>

S. 1575 would **remove an obstacle** in the tax code to job creation and achieving greater levels of energy-efficiency in the commercial building sector, which accounts for 18% of U.S. energy use. Between 1981 and 1993, the depreciation schedule for nonresidential property was increased from 15 to 39 years. However, the average life of a commercial roof is only 17 years. This is an incentive for building owners to delay the replacement of older, failing roofs with new energy-efficient technology that reduces energy consumption.

We urge the Committee to rectify this problem by advancing S. 1575, which provides a 20-year depreciation recovery period for commercial roofs that meet a benchmark energy efficiency standard. Providing more rational “economic” depreciation that is consistent with the life of the asset will accelerate demand for such roofs by removing the disincentive for building owners to delay complete retrofits of failing roofs. An independent study by Ducker Worldwide, a global research firm, estimated that reforming the 39-year depreciation schedule will create **nearly 40,000 manufacturing and construction jobs per year and add \$1 billion of taxable annual**

---

<sup>1</sup> J. Phelan. 2009. Energy and Environmental Impact Reduction Opportunities for Existing Buildings with Low-Slope Roofs. Bayer MaterialScience.

<sup>2</sup> J. Phelan. 2009, and H. Akbari, S. Menon and A. Rosenfeld. 2009. Global cooling: increasing world-wide urban albedos to offset CO<sub>2</sub>. *Climatic Change*, 94, pp. 275-286.

**revenue** in the construction sector. This study also documented the 17-year average life of a commercial roof.

Due to the unique job creation and energy efficiency benefits of depreciation reform for commercial roofs, S. 1575 has the support of a diverse coalition of business, conservation, and labor groups. We urge Congress to quickly move forward with this legislation to help spur economic growth and job creation in the hard-hit construction industry.

Best regards,

Alliance to Save Energy (ASE)  
American Council for an Energy-Efficient Economy (ACEEE)  
American Institute of Architects (AIA)  
American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE)  
Associated Builders & Contractors (ABC)  
Associated General Contractors (AGC)  
Building Owners and Managers Association International (BOMA)  
Business Council for Sustainable Energy (BCSE)  
Center for Environmental Innovation in Roofing (CEIR)  
Environmental and Energy Study Institute (EESI)  
Institute for Market Transformation (IMT)  
International Council of Shopping Centers (ICSC)  
Joint Roofing Industry Labor and Management Committee  
National Roofing Contractors Association (NRCA)  
Polyisocyanurate Insulation Manufacturers Association (PIMA)  
Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)  
Spray Polyurethane Foam Alliance (SPFA)  
Sustainable Buildings Industry Council (SBIC)  
United Union of Roofers, Waterproofers and Allied Workers  
U.S. Green Building Council (USGBC)

cc: Senator Ben Cardin  
Senator Mike Crapo