



SHEET METAL AND AIR CONDITIONING CONTRACTORS' NATIONAL ASSOCIATION

February 17, 2010

The Honorable
United States Senate
Washington, DC 20510

Dear Senator:

The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA), is supported by more than 4,500 construction firms engaged in industrial, commercial, residential, architectural and specialty sheet metal construction throughout the United States. **As President of SMACNA, I want to express our strong support for the Building Star energy efficiency proposal and urge you to co-sponsor *Building STAR*, a bill that Senator Merkley plans to introduce after the President's Day Recess.** We also ask that you contact Majority Whip Richard Durbin, Senator Byron Dorgan and Majority Leader Reid to urge them to include the ***Building STAR*** proposal in pending jobs legislation to create thousands of construction jobs in 2010.

In the current recession, no sector has been harder hit than the construction industry, which has lost approximately 2 million jobs since December 2007. **The Bureau of Labor Statistics reported that the unemployment rate for the construction industry rose to a shocking 25% in January**, losing 75,000 jobs in just one month.

Building STAR is a package of rebates and tax incentives to conduct energy efficient retrofits (i.e., enhance the energy performance) of commercial and multi-family residential buildings. It would quickly mobilize building owners, construction firms, the building trades, and manufacturers and distributors of building supplies to create jobs in 2010. ***Building STAR*** would help put these people back to work retrofitting existing buildings, and would do so fast.

It is the right program at the right time for our economy.

Building STAR would:

- **Create at least 125,000 jobs in 2010.** With a federal investment of \$5 billion, ***Building STAR*** could spur total market activity of \$15 - \$20 billion, based on experience with proven state and utility-run rebate programs. Applying job-creation ratios typical for commercial retrofits, a program of this size would create at least 125,000 construction, manufacturing and support jobs in 2010.



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- **Work quickly.** The technology-specific rebates in ***Building STAR*** are based on proven utility-run rebate programs that already are helping to improve the energy performance of homes and buildings, and to create and retain jobs. Rebate and tax incentive levels would be established in legislation, rather than by agencies, making it possible for ***Building STAR*** to hit the ground running.
- **Benefit America's small businesses.** More than 90 percent of the contractors who perform commercial and multi-family building retrofits employ fewer than 20 workers. Even where large firms hold the primary contract, much of the work is subcontracted to smaller firms. Thousands of these firms would quickly rehire laid off workers. Small businesses would also benefit from reduced energy bills. For example, a restaurant that cut its energy costs by 20 percent could increase profits by 30 percent, according to EPA.
- **Provide opportunity to high-skilled workers and contractors.** The commercial building sector employs sophisticated energy services contractors and highly skilled workers. ***Building STAR*** would provide opportunities for these workers and contractors during the current economic downturn, preserving skills essential to improve energy performance over time across our nation's entire stock of large buildings.
- **Reduce energy consumption and consumer costs.** ***Building STAR*** will help overcome market barriers that block energy efficiency from occurring at a large scale. The size of commercial building retrofits ensures that we will reap large energy savings, reducing energy demand and driving down costs for everyone.

Building STAR was developed by *Rebuilding America*, a SMACNA supported coalition of more than 60 Construction organizations, manufacturers, financial services companies, building trade unions, and efficiency advocates, in conjunction with a number of outside technical experts.

We look forward to working with you to ensure passage of the needed job creation legislation as well as to ensure that ***Building STAR*** provisions are included to create construction and manufacturing jobs from retrofitting commercial and multi-family buildings coast to coast.

Sincerely,



John Lindemulder
SMACNA President