Testimony to Select Committee on Energy Independence and Global Warming
Testimony of Tony Stall, Dryvit Systems, Inc.
14 May 2008
Washington, D.C.

Thank you, Mr. Chairman for the opportunity to address this committee on the issues of energy efficiency and strategies to reduce carbon emissions – both inherent benefits of the exterior cladding system my company manufactures - that can have a meaningful and measurable impact on non-renewable energy consumption as well as the reduction of carbon dioxide emissions. I would like to offer a special thanks to Congressman Sullivan, who last year visited our Oklahoma office and impressed me with his sincere interest in both our Company as well as the contributions our product is making toward improving the environment as well as our national energy security.

Headquartered in Rhode Island, Dryvit also operates manufacturing facilities in Georgia, Oklahoma and California, as well as in Poland, China and Canada. Our parent company, RPM, Inc. of Medina, Ohio, is a $3.6 billion dollar, publicly traded American company which also owns major brands such as DAP, Rust-oleum, Zinsser, Tremco and DayGlo paint. 75% of Dryvit's business is in the United States, in both commercial and residential, new construction as well as renovation of older buildings.

Ours is not a new or unproven technology. In 1969, Dryvit brought the concept of a lightweight and highly flexible exterior cladding system to the United States from Germany, where it was invented after WW 2 and is still widely used today. That system, branded by Dryvit as “Outsulation”, is uniquely defined by the placement of expanded polystyrene insulation on the exterior of the building, where building science has proven it to be most effective. Chairman Markey, in your state of Massachusetts, the Building Code affirms this by requiring insulation on the exterior of structures that use steel stud construction. It is my understanding that other states are considering similar measures. What these regulations prescribe is the exact concept offered by Dryvit Outsulation systems. Dryvit Outsulation Systems have been used on more than 400,000 buildings in North America. A vast majority of the nation’s architects and general contractors have specified and used Dryvit claddings over the past 40 years, in both private and public sector construction, in all 50 states. In fact, it would not be exaggerating to state that every person in this room here today has shopped in a store, enjoyed a sporting event, slept in a hotel, eaten in a restaurant, took a class, received medical care, or worked in an office building clad with a Dryvit Outsulation, or similar System.

The reason why Dryvit Outsulation Systems have been a popular choice for both private and public sector building owners – both residentially and commercially – is because they are attractive, cost effective, and just happen to be more energy efficient than any other common exterior cladding choice available.

Hard to believe? Consider this: The Oak Ridge National Laboratory evaluated seven common cladding systems – brick, stucco, glass curtain wall, concrete, wood and masonry - alongside Dryvit's Outsulation system. Their conclusion is compelling: The 2" thick Dryvit Outsulation system scored a whole wall R value of 12.7 which was 84% more energy efficient than the next-best performing cladding. The most common building claddings - brick, stucco and wood siding, achieved significantly lower energy ratings – less than half those of Outsulation. What does 84% more energy efficiency translate into for building owners? - an average annual energy savings of between 20 and 30%. By any measure, that is a significant benefit and one that would contribute mightily to meeting our national energy policy objectives.

What this means, of course, is the vast majority of our nation's buildings are clad with exterior systems that are demonstrably poorer energy performers. That is a significant problem when you consider that the Unites States Green Building Council asserts that more than 40% of all energy used in the United States is used to heat, cool and operate buildings – residential and commercial structures combined. At the same time, it is estimated that over 80% of all structures built prior to 1960 used "substandard" insulation – which means less than is now minimally required by Code. Clearly, finding more energy efficient building solutions is our highest national energy priority. We can immediately and

meaningfully reduce our national dependence on foreign, non-renewable energy sources by raising standards for the energy efficiency of all types of buildings.

Importantly, such a policy need not cost building owners – residential or commercial – more money. Greater energy efficiency is an inherent benefit of the Outsulation System. While precise costs are variable to geography and project conditions, Dryvit Outsulation systems are cost effective alternatives to other common claddings. A case study developed by a major Nashville architect determined that 10% of the shell construction costs on a “typical” commercial office building could be saved by substituting Dryvit’s Outsulation system for masonry. In the study, over $570,000 was saved in concrete, steel, cladding and HVAC costs by building with the Outsulation system. Energy savings, however, are only half our exciting story.

The other half involves our carbon footprint. We have always known that Outsulation Systems reduced energy use. What we did not know was whether the energy needed to create our product was greater than the energy saved by using it. This is the true measure of a product’s “greenness”. Here, we turned to the National Institute of Standards and Technology, a division of the US Commerce Department. NIST conducted a full Life Cycle Analysis – cradle to grave - of the Outsulation system components, including the expanded polystyrene. By every measure conducted by NIST – global warming impact, Acidification, Criteria Air Pollutants, Ecological Toxicity, Embodied Energy, Eutrophication, and Fossil Fuel Depletion – Outsulation systems outperformed all

other tested claddings over the full 50 year life cycle analysis. In terms we can all understand, Outsulation systems produce a carbon footprint that is more than seven times smaller than brick and five times smaller than stucco.

The cost-effective installation of Dryvit Outsulation systems is just the beginning of a
lifetime of superior performance. Our DryvitCARE program provides guidelines for cleaning, repair, and restoration of Dryvit Outsulation systems or other similar products and will help keep their cladding looking good and performing exceptionally for the lifetime of the building. Through completion of the Platinum Warranty program, the original system warranty is repeatedly eligible for renewal.

Properly maintained under the provisions of DryvitCARE, Dryvit Outsulation systems will not need to be removed, recycled or put into a landfill – although I hasten to add that the components, including the expanded polystyrene insulating layer, are all recyclable, environmentally inert materials. They will remain useful—saving energy and helping protect our environment—for the lifetime of the building.

I would like to conclude, Mr. Chairman, by thanking you and your colleagues again for your time and the opportunity to share this important information with you. Cladding systems that feature insulation on the outside of the wall assembly, such as the Dryvit Outsulation system, are proven by independent

government agencies to be significantly more energy efficient and produce a meaningfully smaller carbon footprint than cladding systems that do not feature insulation on the exterior of the wall assembly.

I fully recognize that your charge as a committee is to investigate, study, make findings, and develop recommendations on policies, strategies, technologies and other innovations intended to reduce the dependence of the United States on foreign sources of energy and achieve substantial and permanent reductions in emissions and other activities that contribute to climate change and global warming. To that end, I would encourage you to strongly consider recommending additional legislation and simplifying existing regulations providing subsidies and other incentives to building owners choosing to invest in building technologies that have been proven to significantly improve energy efficiency and lower carbon emissions. Building technologies exist today that can accomplish those goals without adding costs to achieve them. Building green, with the right mix of products, does not have to cost more. It is responsible environmental and economic policy to encourage the use of these technologies to every possible extent.

Thank you again, Mr. Chairman, for the honor of addressing you and your committee on this vital topic. I would be pleased to answer any questions the committee might have at this time.