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The Real Estate Roundtable

January 24, 2014

The Honorable Fred Upton
Chair
Energy and Commerce Committee
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Henry Waxman
Ranking Member
Energy and Commerce Committee
U.S. House of Representatives
2322A Rayburn House Office Building
Washington, DC 20515

Re: *Support for H.R. 2126, "Better Buildings Act"*

Dear Chairman Upton and Ranking Member Waxman:

On behalf of The Real Estate Roundtable, we commend your decision to bring H.R. 2126, the "Better Buildings Act," to the Committee for markup on January 27. The Roundtable brings together leaders of the nation's top publicly-held and privately-owned real estate ownership, development, lending and management firms with the leaders of major national real estate trade associations to jointly address key national policy issues relating to real estate and the overall economy. Collectively, Roundtable members' portfolios contain over 12 billion square feet of office, retail and industrial properties valued at more than \$1 trillion; over 1.5 million apartment units; and in excess of 2.5 million hotel rooms. Participating trade associations represent more than 1.5 million people involved in virtually every aspect of the real estate business.

We strongly encourage the Committee to pass H.R. 2126, co-sponsored by Representatives David McKinley (R-WV) and Peter Welch (D-VT). The bill – also known as "Tenant Star" – is supported by organizations that cover all aspects of the U.S. real estate sector. H.R. 2126 has likewise garnered support from a diverse suite of stakeholders representing product manufacturing, architecture and design, restaurant, gaming, energy service companies, contracting, labor, energy efficiency, and environmental advocates. Attached are prior support statements sent to the House (dated June 12, 2013) and Senate (dated September 11, 2013, in the context of companion bipartisan legislation). These letters evince the broad backing that has rallied around the Better Buildings Act.

The legislation takes a market-driven, voluntary, "best practices" approach to align commercial building owners and their tenants to reduce demands on the energy grid. As this proposal fits within existing voluntary recognition programs, it has no regulatory impact and does not require new appropriations. The legislation encourages cooperation by landlords and tenants in our nation's commercial buildings to save energy as leased spaces in these structures are designed, constructed, used, and occupied.

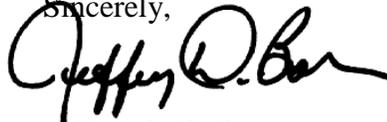
The Honorable Fred Upton
The Honorable Henry Waxman
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To date, bills addressing energy efficiency have largely focused on how real estate owners and developers may lower energy consumption at the “whole-building” level. But in fact, owners and managers of large buildings control only about 50% of their structures’ total energy; tenants consume at least half. The Better Buildings Act takes a holistic approach by considering office tenants’ impact on energy consumption and behaviors.

Notably, H.R. 2126 brings the voluntary ENERGY STAR rating for whole-buildings to the next level by authorizing a “Tenant Star” program to certify leased spaces in buildings as energy efficient. Considering the overwhelming success and private sector acceptance of ENERGY STAR for buildings – which are located in all 50 states, represent over 3 billion of square feet of commercial floorspace, and have saved American businesses over \$2.7 billion in utility bills¹ – it is sound energy policy to evolve this program to the “Tenant Star” level of leased spaces. Indeed, it has been estimated that H.R. 2126 will further lower energy costs for consumers and businesses by \$2 billion dollars, and result in reduced carbon emissions by 11.75 million metric tons, by the year 2030.²

In short, the Better Buildings Act – a.k.a. “Tenant Star” – is common sense policy for the U.S. economy and businesses, will help move our country closer to energy independence, and help preserve the environment for future generations. The Real Estate Roundtable strongly supports it, commends your willingness to bring it to the Committee for its consideration – and urges its swift passage.

Sincerely,



Jeffrey D. DeBoer
President and CEO

cc: The Honorable David McKinley
The Honorable Peter Welch

¹ US-EPA statistics on ENERGY STAR commercial buildings program through the end of 2012. Available at: <http://www.energystar.gov/buildings/about-us/facts-and-stats>.

² American Council for an Energy-Efficient Economy, “Economic Impacts of the Energy Efficiency Provisions in the Energy Savings and Industrial Competitiveness Act of 2013 and Select Amendments (Sept. 5, 2013). Available at: <http://www.aceee.org/white-paper/shaheen-portman-2013>.