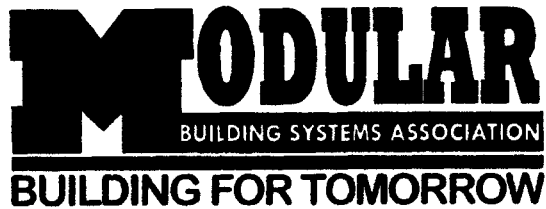


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 DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT  
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November 6, 2002

The Honorable Tim McNulty  
 Acting Secretary  
 Department of Community and Economic Development  
 Commonwealth Keystone Building  
 Fourth Floor  
 400 North Street  
 Harrisburg, PA 17120

Dear Secretary McCullough:

I am writing on behalf of the Modular Building Systems Association representing the modular housing industry regarding proposed rules by the Department of Community and Economic Development to amend the Industrialized Housing Regulations. We have reviewed the proposed rules and based on our understanding of the provisions, have no specific objection to these amendments to the regulations. We do have several comments which are outlined below.

Pennsylvania is one of the leading manufacturing states of modular housing in the country. Our industry and our association have enjoyed a close working relationship with the Division of Manufactured Housing over the years. The regulatory tone at DCED is one in which there is a balance between regulation and economic development. It is for this reason that our industry has opposed efforts in the past to move the regulation of modular housing from DCED to the Department of Labor and Industry.

As we read the proposed rules, the major provisions include:

- (1) We are concerned that the amendment to section 145.53 is written in such a way that it could be interpreted as requiring the third party to review and approve plans for every model that goes on line. In speaking with the Division of Manufactured Housing, we understand that the intent is to require the third party to review building plans for models that vary significantly from the approved system. We have no objection to that intent, but believe that the

amendment could be interpreted to require plan review of every model regardless of whether it falls well within the approved system. We would be pleased to work with the Department on alternative language.

- (2) a prohibition of local municipalities from discriminating against modular housing without some rational relationship to public health or welfare;
- (3) an update of the codes to reflect the adoption of the new International Building and Residential Code;
- (4) an increase in fees and a provision to label each module as opposed to each house;
- (5) A change in the requirement that the third party inspect 5% of installations to a subjective requirement that the third party inspect installations as needed to insure that they are completed properly, and that the manufacturer keep installation inspection reports on file.

It is our understanding that nothing in these regulations shifts liability for work performed by independent contractors on the job site to the manufacturer. We understand that the manufacturer is responsible to insure that installation guidelines are made available to builders and contractors involved in on-site completion of the homes. We also understand the requirement that manufacturers keep records of installation inspections at the factory. However, we have opposed any effort to hold manufacturers liable for work completed by independent construction professionals who have no organizational affiliation with the manufacturer. As we review the regulations, it does not appear that the intent or result of the rule changes will shift liability from the person performing the work to the manufacturer. If that is not the Department's intent, than we are in agreement. If there is more to the regulations than we currently understand, than we would appreciate the opportunity to discuss this issue with the Department.

We look forward to a continued close working relationship with the Department of Community and Economic Development and the Division of Manufactured Housing.

Sincerely,

*STEVE SNYDER*

Steve Snyder

SRS/kal

CC. John Boyer, Chief of the Division of Manufactured Housing  
Robert E. Nyce, Executive Director, Independent regulatory Review Commission  
MBSA Members