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July 23, 2015

Mark A. Conte, Chief  
Commercial Buildings Division  
Department of Community and Economic Development  
400 North St. 4th Floor  
Harrisburg, Pennsylvania 17120-0225.

Re: Advance Notice of Final Rulemaking Pa.B. 3342 – Industrialized Housing Components

Mr. Conte,

We are once again submitting comments to express our continued concerns with this proposed rule as well as the rulemaking process. We have several concerns, most of which we expressed last August in comments to the IRRC. It is unfortunate that your agency chose to ignore the recommendations by the IRRC to work with the industry to develop consensus, as evidenced by the fact that the Industry Advisory Council has not met since that IRRC hearing. Instead, we are presented with draft rules that look no better than the rules you submitted last year and a notice that the Advisory Council would meet in late August, presumably after these regulations were finalized.

As you know, our industry has been working since 2007 to get this program established PRIMARILY FOR THE PURPOSE OF RELOCATING INDUSTRIALIZED BUILDINGS. Again, you have chosen to ignore our input as well as the intent and purpose of the legislation. In fact, because of your agency's objections and interpretation of the first bill we worked to get passed, we actually worked to get a second bill passed. Eight years later, your proposed rules make it abundantly clear that you either do not understand the industry you have been legislated to regulate or you simply choose to ignore the legislation.

As far as the draft rules themselves, we have the same concerns as last year. Section 145.2 (3) states that the purpose of these regulations (in part) is to "establish procedures which facilitate the movement of industrialized housing, buildings between the Commonwealth and other states..." What are these procedures?

We have other concerns, both practical and legal – all of which add costs to our members and ultimately Pennsylvania consumers. You added a new sections providing a specific and prescriptive set of requirements for foundations, yet failed to include several code-compliant and acceptable solutions currently being utilized. This section needs to be more general and allow for approval of foundation systems that have been reviewed and approved by a licensed Pennsylvania engineer.

The installations process seems to indicate that the manufacturer is responsible (liable) for the install of the industrialized unit by controlling the process. More often than not, an independent set crew or contractor is hired for this task. When does this manufacturer liability end? Who determines the criteria for the set crews? Does each manufacturer adopt its own "installer certification process?" Currently, Pennsylvania is home to more modular manufacturers than nearly any other state. That may not be true in the near future if manufacturers feel their exposure has increased as a result of these regulations.

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There are concerns about the transfer of title, the need for a local code official to be on site to inspect the unit when it arrives, and additional forms and checklists to be completed, none of which are practical or necessary. Further, these requirements are in conflict with neighboring (and modular-friendly) states such as New Jersey and Virginia.

In short, we cannot support these rules as you have submitted and are disappointed that you have chosen to ignore industry input time and time again. We will have no other choice than to pursue legal and/or legislative relief if these rules go into effect as you have submitted them. That is truly a sad commentary about the state of regulatory affairs given that it was our industry that approached the Pennsylvania Assembly nearly a decade ago requesting consistent and fair regulations.

Perhaps these rules can be delayed (again) and you can use the upcoming scheduled meeting with the Industry Advisory Council on August 26<sup>th</sup> to revisit and rework these rules one final time in a manner that will allow our member companies to continue doing business in the Commonwealth.

Sincerely,

A handwritten signature in cursive script that reads "Tom Hardiman".

Tom Hardiman  
Executive Director  
Modular Building Institute  
944 Glenwood Station Lane, Suite 204  
Charlottesville, VA 22901