

Anonymous Third Party Comments And The Acquisition Of NTA , Now Referred To As ICCNTA

Backstory: ASTM E541 is the criteria that has been used in the marketplace for over 4 decades for third parties that certify manufactured building.

ASTM E541 is a statutory requirement in 10 states for third parties and it is in the HUD Code Of Federal Regulations as the personnel requirements of HUD approved DAPIA and IPIA agencies that certify manufactured homes.

IPIA (In-Plant Inspection Agency) services

DAPIA (Design Approval Primary Inspection Agency) service

[List Of State Adoptions Of ASTM E541 And HUD
ASTM E541 -22](#)

ICC Has Developed ICC/MBI 1205 Standard for Off-Site Construction: Inspection and Regulatory Compliance

[*They Developed The Standard The The Modular Building Institute*](#)

[*ICC Has A Memorandum Of Understanding with International Code Council*](#)

[*ICC News Release*](#)

At its recent [World of Modular](#) conference and tradeshow, held March 29-April 1, 2023, the Modular Building Institute (MBI) renewed its Memorandum of Understanding with the [International Code Council \(ICC\)](#).

The two parties signed their original agreement to develop new standards and guidelines for the offsite construction industry in 2017.

Since that time, MBI and ICC have collaborated on the development of one new guideline for shipping container conversions (G5-2019) and three new standards for offsite construction projects:

- ***ICC/MBI Standard 1200-2021: Standard for Off-Site Construction: Planning, Design, Fabrication and Assembly and ICC/MBI Standard 1205-2021: Standard for Off-Site Construction: Inspection and Regulatory Compliance provide criteria to facilitate offsite construction project compliance with building code requirements and support consistency across jurisdictions for how off-site construction is regulated.*** ● *The*

most recent standard, ICC/MBI Standard 1210: Standard for Mechanical, Electrical, Plumbing Systems, Energy Efficiency and Water Conservation in Off-Site Construction, focuses on mechanical, electrical, plumbing, energy efficiency and water conservation in offsite construction projects.

The two parties have also collaborated on numerous webinars and presentations aimed at better educating code officials about the offsite construction sector.

This new agreement continues that collaboration with a heightened focus on working to get more jurisdictions to adopt the standards.

"Our goal is to streamline the regulatory process wherever we can by promoting these standards," said MBI Government Affairs Director Jon Hannah-Spacagna. "We feel this will lead to a greater understanding and adoption of modular and offsite construction practices across the board."

"The market share for modular construction has more than doubled since signing the original agreement. As more jurisdictions adopt these standards, we expect to see market share double again over the next five years, if not sooner," said MBI Executive Director Tom Hardiman.

ICC Has An Agenda To Replace ASTM E541 With ICC/MBI 1205 So ICC Can Create The Criteria For Third Parties And Be In Complete Market Control And Extend Their Monopoly In The Closed Loop Cycle That Feeds Their Other Services.

- ICC has blocked a certification work group to discuss certification for tiny houses in the development of ICC/THIA 1215
- ICC has had an over reach in their involvement with the development of ICC/THIA 1215, blocking the referencing of ASTM E541

Third Parties Cannot Speak Openly: Anonymous Third Party Comments Regarding ICC Monopoly

If a third-party inspection agency is acquired by the International Code Council (ICC) and gains access to all third-party information, coupled with a shift from ASTM E-541 standards to ISO standards for compliance, the financial implications for both manufacturers and third-party agencies could be substantial:

1. Increased Competition and Service Differentiation:

ICC's acquisition of a third-party agency would significantly enhance its resources and market reach. As a result, other third-party agencies may feel pressure to upgrade their service offerings, invest in technology, and improve operational efficiencies. This

competition could lead to increased costs for agencies attempting to differentiate themselves, as they may need to spend more on personnel, training, and technology to stay competitive. Smaller third-party agencies might struggle to absorb these costs, potentially leading to consolidation or reduced market share.

2. Confidentiality and Client Retention:

The acquisition raises concerns about the protection of proprietary data. If manufacturers worry that their confidential designs and processes are at risk of being shared or leveraged by ICC, they may seek alternative third-party partners, or negotiate more stringent confidentiality agreements. This could lead to higher legal and compliance costs for both manufacturers and third-party agencies as they work to safeguard their proprietary information. The potential loss of client trust and the need for new agreements may disrupt business relationships, leading to financial instability for some agencies.

3. Costs of Transitioning to ISO Standards:

The shift from ASTM E-541 standards to ISO standards for compliance could introduce significant costs for manufacturers, particularly in terms of upgrading systems, retraining staff, and revising quality control processes to meet more rigorous international benchmarks. ISO standards are generally more comprehensive and often require greater documentation and oversight. For manufacturers, this could mean:

- Increased production costs: Adjustments to design, materials, and construction processes to meet ISO requirements may lead to higher production expenses. For DIY builders and smaller manufacturers, the financial burden of complying with ISO standards could be even more pronounced. ISO standards often require complex documentation and formalized processes, which small-scale operations may not have the resources to implement. This could lead to additional expenses in hiring external consultants, investing in new equipment, or contracting with specialized third-party agencies to ensure compliance. These added costs could reduce profit margins or, in extreme cases, force smaller manufacturers and DIY operations out of the market.

4. Regulatory and Compliance Costs:

If ICC pushes for a wider adoption of ISO standards, regulatory changes may lead to increased compliance costs across the industry. Third-party agencies would need to invest in upgrading their certification and review processes, likely passing these costs on to manufacturers. In turn, manufacturers may face higher fees for inspections, certifications especially for manufacturers currently following ASTM standards, which are more domestically focused.

- Training and certification costs: Manufacturers will need to retrain staff on the new compliance requirements, which could require hiring external consultants or conducting in-depth employee training programs.
- Supply chain adjustments: Meeting ISO standards may necessitate changes in material sourcing or suppliers, potentially increasing procurement costs and lengthening lead times.
- Increased cost of certification: Third-party agencies may charge higher fees for

the more detailed and rigorous inspections required under ISO standards, affecting both manufacturers and DIY builders.

5. Impact on DIY Builders and Small Manufacturers:

, and audits, which could impact their overall operational budgets.

Overall, the monetary impact of these changes could result in higher operational costs for both manufacturers and third-party agencies, as they adapt to more stringent regulatory environments and heightened competition. While large manufacturers may be better positioned to absorb these costs, smaller companies and DIY builders may struggle with the financial burden, potentially leading to market consolidation and fewer small-scale players in the industry.