

Summary: How the ICC/HUD Ecosystem Leaves Competitive Standard Developers Completely Out of the Loop

The current system — as illustrated in the HUD MOD X report, 1205 standards, and related grants/press releases — creates a self-reinforcing loop that marginalizes independent or competing standard developers (e.g., ASTM-based approaches).

Key Mechanisms:

- **Standards Writing Dominance:** ICC (with MBI) develops 1200/1205 and related standards. The HUD-funded research and report recommend national certification frameworks that default to or heavily favor these ICC products. Competing standards like ASTM E541 are sidelined or treated as secondary, even when states try to preserve them (Virginia/Utah examples).
- **Certification & Compliance Gatekeeping:** The recommended “housing system certification” and performance-based codes require third-party inspection/accreditation pathways that ICCNTA and affiliated bodies are positioned to dominate. Independent developers lack the ecosystem (training, evaluation reports, state adoptions) to compete on equal footing.
- **Funded Research Pipeline:** HUD’s 2023 NOFO and 2024 grants (including to NIBS and MOD X-linked researchers) direct resources toward accelerating the ICC-aligned off-site model. This creates “evidence” and policy recommendations that reinforce the loop rather than testing true open competition.
- **Selective Precedent:** The Clayton AC approval shows how major players inside the loop get early exceptions, while outsiders wait for full rulemaking. “Avoid federal domains” advice further protects the preferred path from outside scrutiny.

Result for Competitive Developers: They are left out — no equal seat at the table for standards development, no level playing field in certification markets, and no meaningful inclusion in HUD-funded research or award criteria. This isn’t open innovation; it’s a closed market that raises barriers, increases costs, and limits consumer choice.