Mr. Chairman and members of the Committee, my name is Paul Abate and I am Vice President, Government Services & Business Development of Champion Homes. I appreciate the opportunity to testify before you today on behalf of Champion Homes and the modular building industry which is represented by the Modular Building Institute.

Champion Homes is a Troy, Michigan-based leader of off site construction and the nation’s largest builder of modular homes. Champion operates 26 manufacturing facilities in North America and the United Kingdom working with independent retailers, builders and developers. The Champion family of builders produces manufactured and modular homes, as well as modular buildings for government and commercial applications.

Tom Hardiman, Executive Director of the Modular Building Institute, is in the audience today and joins me in support of this testimony. The MBI is the trade association for the commercial modular industry and represents a cross section of industry participants.

To be clear, we are not here before you today in search of funds for any particular project. Rather, we hope to educate members of the committee as to the benefits and advances in modular construction and offer our industry as a solution for the complicated future facing military housing and other mission related facility requirements.


As the military attempts to update its fighting style and organizational structure, the impact on housing, operational facilities and infrastructure cannot be overemphasized.

As this Committee knows all to well, annual funding uncertainties make the process of construction planning and implementation even more complicated.

For these reasons, modular construction can be an important part of the solution due to its ability to deliver quality product in unprecedented timelines.

Unfortunately, certain military branches have been slow to embrace modern modular construction technology. We recognize that change takes time, and our military leaders are appropriately focused on fighting the wars abroad. However, the challenges associated with mission facility needs as relates to BRAC, global rebasing, and Grow-The-Force end strength require strategic planning.
After several years of educating leaders in the U.S. Army Corps of Engineers, our industry has recently seen improvement in contracts with the Army. The Air Force and Navy have not yet favored the modular approach to date, and even with recent improvements within the Army, much more can be done to incorporate modular construction into the military.

We are not seeking extraordinary treatment during the contracting process. Conventional construction may very well be the best option in some instances. We do seek a level playing field between the modular and on-site construction industries in future construction efforts. In short, we encourage all branches of the military to:

1) Ease certain requirements to remove certain impediments to modular construction, where feasible
2) Ensure that the modular solution is viewed as a viable alternative when establishing the future standards via the US Army Corps of Engineers Centers of Standardization and/or other Military Agency standards
3) Include the modular industry as an “early entry” partner in planning discussions, meetings, and events.

The stereotype of modular construction as “trailer parks” is dated and completely inaccurate. Today’s modular building solutions are models of efficiency and quality. The building process begins in the design phase where modular producers use state-of-the-art, computer-assisted design systems that aid them in customizing floor plans and producing drawings and material requirement lists. Once the modular system has been designed, the building process begins.

Construction begins with modern factory assembly line techniques. Each module is constructed in an enclosed climate controlled facility with full time staff. As each module travels through workstations all the building trades are represented. Work is rarely delayed by weather, subcontractor no-shows, or missing materials. Quality engineering and modular construction techniques provide energy-efficient modulars that meet or in some cases exceed code.

High-quality materials, attention to detail, building codes and standards are observed, both in plant QC inspectors, as well as independent inspection agencies acting on behalf of governing regulatory bodies, inspect the building during fabrication.

Modular buildings look like any other building. Today’s building technology has allowed modular manufacturers to build almost any style of house, from a simple ranch to a highly customized contemporary million dollar mansion or commercial buildings such as banks, schools, office buildings, hotels, condominiums, and even foreign embassies.

Modular construction can help meet these demanding timeframes, and provide quality homes and facilities for soldiers and their families that are indistinguishable from those built piece by piece on site.

Modular buildings are built with the same materials and to the same codes as those built on site, so the savings would be realized in other aspects of the project. Time is the single biggest advantage that modular construction has over site built construction. Facility construction can
begin at the same time, or even before the site work is completed, reducing construction scheduled by as much as 50%. Costs savings associated with time savings can be significant. Common examples are savings as a result of reduced materials waste, theft, weather damage, and stopped work. While it’s hard to determine theoretical cost savings without specific plans, the old adage “time is money” is certainly true.

In previous discussions with military personnel, I have been asked about the strength and durability of modular construction. I assume the concern stems from pictures of trailer parks destroyed by tornados, or flooding during Hurricane Katrina. While modular construction cannot guarantee survival of a catastrophic event, the idea that modular building is more vulnerable simply isn’t true.

Permanent modular buildings are currently being utilized in some of the harshest climates and for some of the most challenging occupancies around the country. Buildings ranging from high schools, to fast food restaurants, to foreign embassies utilize permanent modular construction techniques. Again, permanent modular buildings are built to the same codes and from the same materials as permanent site built facilities.

We also believe that utilizing modular construction methods is more environmentally friendly than site build. Our industry is working with the US Green Building Council’s Leadership in Energy and Environmental Design (LEED) and will soon be outlining the requirements, submittal documents, and modular building considerations for each New Construction prerequisite and credit. We are quantifying specific environmental benefits of modular construction and will be happy to share with the Committee as the report becomes available.

Champion Homes and other members of the Modular Building Institute have manufacturing plants in all parts of the country. We understand that it will take all types pf construction to meet the enormous challenge being undertaken by the Members of this Body and the Armed Forces and we know we can make a significant contribution to this effort.

In short, modular construction is much different than it was 15 years ago and we continue to evolve. The products are better, fabrication technology has improved and we are faster than conventional construction. We seek a level playing field during future military construction opportunities and we stand ready to assist our troops, their families and the nation.

In conclusion, we appreciate the Committee’s time and attention to this issue. We have submitted potential report language for consideration and look forward to working with you as the FY2009 Appropriations Bill is assembled.

We will be happy to answer any questions.