MBI 2009 Government & Military Construction Conference held in Washington, DC last month was a huge success with over 100 individuals in attendance.

Many of those arrived early to take advantage of eight scheduled appointments with targeted influential lawmakers and staffers on the “Hill” to spread the word on alternative building methods. The primary message was to request appropriations language to include “Non-traditional construction methods such as pre-fabricated, pre-engineered, panelized, and modular construction will be considered.”

The Conference was a unique two day event that offered a timely overview of the current and future industry opportunities related to Government projects across the board. Our entire industry would have been proud to hear the praises of modular construction by key government agencies like the Corps of Engineers. These speakers shared their view of the upcoming opportunities and the outlook is certainly bullish when compared to recent times.

Recently a few of our members accompanied General Paul K. Carlton Jr. to Iraq to see first hand the many modular opportunities there. General Carlton currently serves as the Director of Homeland Security for Texas A&M University Health Science Center. His presentation was one we should bottle. His non flagging support of a modular solution was evident in his speech at our conference as well as his testimony before Congress. You can access his congressional testimony through the MBI website.

As we enter the second half of a difficult year for the industry it is very pleasing to see the level of optimism coming out of this conference. While many of our members don’t participate directly in the types of projects discussed in the end we will all benefit as product demand no doubt increases as these opportunities and more gain momentum.

Thanks to those in attendance in DC and to all for continued support of your organization, the MBI.

Marty Mullaney
MBI President

State of the Industry

Although 2008 was a down year for construction in general, those familiar with modular construction have many reasons to be optimistic about the future growth of the industry.

In October of 2008, Building Design + Construction conducted a survey of a subsection of its subscriber base, asking readers about modular construction. These respondents were made up of architects, engineers, developers, business
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There has been a lot of discussion about ethics lately, from new requirements on federal projects to allegations of bad mouthing the competition and failure to pay debts. When our industry focuses its time and energy inward to deal with these problems, we lose momentum and our vision to think long term to grow the industry.

As you know, MBI has a Code of Business Ethics and Conduct that we require our members to sign each year. However, I’m not convinced any member could tell you what is included in our ethics program. As part of our current program, we ask our members to file a complaint, against their own customers in many cases, and that is just not practical. As a result, we have a process that few take seriously or are willing to follow. Our program has become a laminated document that is part of a sales pitch but not part of some of our member’s corporate culture.

MBI is working with the Executive Director for the Business Roundtable Institute for Corporate Ethics at the University of Virginia to discuss our ethics program, with this goal in mind:

“To have the most rigorous, robust and comprehensive ethics program of any trade association anywhere.”

The Institute is one of the nation’s premier and most respected entities regarding corporate ethics. Our new program will start with data collection and interviews with members about our industry’s ethics. That will lead to an assessment of our current program and practices followed by a series of recommendations for improvements or new practices. Implementation will include articles and teleconferences as well as a presentation by Dean Krehmeyer, the Director of the Institute, at our World of Modular Convention next March to publicly launch the new standards.

Many will ask why MBI is doing this, if it is unwilling to enforce these new standards. The simple answer is that we must be willing to enforce these standards uniformly without regard to the size or type of member – period! The public’s confidence with regard to business in general is at an all time low. Within the construction industry, we face an even steeper hill. Add to that the need to educate end users on “non traditional” construction methods requiring a change in thinking and we have a daunting challenge ahead of us. As an industry, we can not afford to lose one customer, and that is what happens many times as a result of ethical lapses.

By embracing MBI’s Code of Ethics as the minimum acceptable standard of conduct, you are helping to advance our industry’s cause and setting yourself apart from non-members.
MBI Makes its Voice Heard on Capitol Hill

As part of our Government and Military Construction Conference held last month, about twenty-five people participated in scheduled visits to various Congressional representatives.

MBI targeted representatives with 1) a large number of members in their region and/or 2) reps serving on key committees of interest to the industry. This prioritization resulted in eight visits for the day, starting with Congressman Sanford Bishop of Georgia and Congressman Doc Hastings of Washington. Congressman Bishop serves on the military construction appropriations subcommittee, while Hastings is Co-Chair of the newly formed “Rural America Solutions Group”.

After lunch, the group targeted the Lone Star State by meeting with Congresswoman Eddie Bernice Johnson, Congressman Chet Edward, and Congressman Joe Barton’s key staffers. The message was simple and clear – Include modular construction in future appropriations bills.

Meetings with Jim Gerlach of Pennsylvania and Dutch Ruppersberger of Maryland closed out the day for most participants. However, industry reps from Indiana’s third district got a special treat. Congressman Mark Souder agreed to meet with a smaller group of constituents in part to make up for missing his key note presentation earlier in MBI’s agenda. The Congressman heard from industry reps Rick Bedell and John Fisher of All American Homes, Tim Milnamow of Forrest River, Simon Dragan of Whitley Manufacturing, Ed Bollero of Markline, Ken Long of ABC Supply, and Tom Hardiman of MBI for about thirty minutes before he was called away for a vote. Not content, the Congressman invited the group to accompany him to the Capitol while he voted. Afterwards, the Congressman gave the group a personal and extensive tour of the Capitol where he shared a wealth of information and history about the landmark structure.

In all, industry representatives spent three hours with the Congressman and shared their concerns about the industry’s future. Souder, seen above with industry representatives, is a senior member on the House Committee on Homeland Security.

Labeling information from several sources indicate that production in some areas could be off by as much as 30-35%.

These challenging times, however, may actually benefit the modular industry in the long term, as weaknesses in the site-built industry grow. Customers are increasingly expecting faster schedules, better prices, more environmentally-friendly options and higher quality. This provides an incredible opportunity for an industry that, in general, has capitalized on speed and cost, but is a relative newcomer to the green building movement.

As U.S. Government agencies continue to embrace both modular and green building concepts, acceptance of both becomes more widespread and more affordable for private industry customers.

Given that the advantages of modular construction are real and the primary disadvantage is perceived, the more the public becomes aware of the industry’s potential, the stronger the industry will become.

The modular process has the built-in advantages of quality control, speed of construction, and waste reduction at cost competitive prices. Virtually every other major industry has been automated and streamlined in the last one hundred years, except construction. By delivering on this potential, the industry as a whole could break through within the next three to five years.

To get your copy of MBI’s 2009 Commercial Modular Construction Report, visit modular.org
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Celebrating Our 28th Year in the Modular Industry
Industry members recently travelled to Iraq along with Dr. P.K. Carlton and were hosted by Deputy Undersecretary of Defense Paul Brinkley, Director of the Task Force for Business and Stability Operations in Iraq.

By Mike Mount, MBI Past President

In late April, Dr. P.K. Carlton along with MBI members John Bennett, Scott Cathcart and me were invited to travel to Iraq. I attended the meeting in the capacity as MBI Past President representing the industry. The group was hosted by Deputy Undersecretary of Defense Paul Brinkley, who is the Director of the Task Force for Business and Stability Operations in Iraq.

While in Baghdad we met with numerous Iraqi Ministries as well as many Iraqi business owners. We found a country in need of American technology and business acumen. It will be very hard to complete the troop withdrawals from Iraq without revitalizing the economic and industrial base in Iraq. They are desperately in need of housing, hospitals, schools and all other types of commercial buildings. The Iraqis are eager to learn how to help themselves, after being suppressed for 35 years by a tyrant.

We are looking for several small initial construction opportunities in Iraq and Afghanistan to demonstrate the capabilities of our industry. We look forward to developing a system that will minimize the risks to doing business in these markets, while maximizing the capabilities of our member companies. We plan on returning to those theatres in the next several months and we are committed to all our membership at the MBI, to keep you appraised of the opportunities as we uncover them.

July 10th, 2009

It is with deep sadness and regret that we must inform you of the passing of Maurice Dagenais, Vice-President of Okaply Industries. Maurice lost his courageous battle with cancer on July 9th, 2009.

Maurice Dagenais worked for Okaply for more than 35 years, and he was the most loyal, hard-working, conscientious person that has ever worked for this company. His ability to get things done in the face of insurmountable challenges was exceptional. His ability to manage a production team and any project was his strength. He always had the customer’s best interest at heart and he cared deeply about everyone around him.

Maurice had an incredible attitude no matter what the situation was. He has “moved mountains” for Okaply during his career and we could never thank him enough for everything he has done for the company. Everyone who was lucky enough to know him will immensely miss him.

Beloved husband of Carmen, proud father to Nancy and Sylvain. His two grandchildren, Sara, Jordan, many other relatives, and numerous friends will also remember him.

Okaply’s team remains strong and united throughout this difficult time.

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