



Manufactured Housing Association for Regulatory Reform

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January 6, 2017

VIA FEDERAL EXPRESS

Hon. Lisa Murkowski
Chair
Senate Energy and Natural Resources
Committee, Suite 304
Dirksen Senate Office Building
1st and C Streets, N.E.
Washington, D.C. 20510

Hon. Maria Cantwell
Ranking Member
Senate Energy and Natural Resources
Committee, Suite 304
Dirksen Senate Office Building
1st and C Streets, N.E.
Washington, D.C. 20510

Hon. Greg Walden
Chairman
House Energy and Commerce Committee
Suite 2125
Rayburn House Office Building
Independence Avenue and South Capitol
Street, S.E.
Washington, D.C. 20515

Hon. Frank Pallone
Ranking Member
House Energy and Commerce Committee
Suite 2322A
Rayburn House Office Building
Independence Avenue and South Capitol
Street, S.E.
Washington, D.C. 20515

Re: Request for Congressional Review of U.S. Department of Energy Standards
For HUD-Regulated Manufactured Housing under the Congressional Review Act

Dear Chairmen Murkowski and Walden, and Ranking Members Cantwell and Pallone:

On behalf of the Manufactured Housing Association for Regulatory Reform (MHARR) and its members, we are writing to request that Congress take action under the Congressional Review Act (5 U.S.C. 801, et seq.), to review and reject a baseless and destructive U.S. Department of Energy (DOE) pending rule to establish so-called energy “conservation” standards for manufactured homes already subject to comprehensive construction and safety regulation by the U.S. Department of Housing and Urban Development (HUD).

MHARR is a Washington, D.C.-based national trade association representing the views and interests of producers of federally-regulated manufactured housing. The homes produced and marketed by MHARR’s members are the most affordable source of non-subsidized home-ownership in the United States. Manufactured homes, consequently, provide millions of

Dream of home-ownership that they might not have otherwise. Unfortunately, though, the pending DOE regulation, rooted in “climate-change” extremism, threatens to needlessly destroy that affordability and simultaneously exclude millions of consumers from the manufactured housing market -- and from home-ownership altogether.

As you may be aware, manufactured housing is the only type of residential construction that is directly and comprehensively regulated by the federal government. Under the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, that regulatory authority is vested primarily in the U.S. Department of Housing and Urban Development (HUD) and its Secretary as part of a congressionally-mandated federal-state partnership. Congress, however, in derogation of HUD’s comprehensive regulatory authority over manufactured housing construction and safety under pre-existing federal law (and HUD’s previous promulgation of specific energy standards for manufactured homes) -- authorized DOE, in the Energy Security and Independence Act of 2007 (EISA) -- to establish “energy efficiency” standards for manufactured housing.

Subsequently, on June 17, 2016, DOE published proposed manufactured housing energy standards (deemed a “major rule” by the Office of Management and Budget pursuant to Executive Order 12866) as a component of the Obama Administration’s “Climate Action Plan.” (See, 81 Federal Register, No. 117 at p. 39756, et seq.). The standards proposed by DOE – in spite of U.S. Census Bureau data showing that monthly energy operating costs for HUD-regulated manufactured homes are already less-than-or-comparable to those for all other types of housing - - would add up to \$6,000.00 (and potentially more, when related enforcement regulations are developed) to the cost of a new manufactured home (please see, MHARR’s comprehensive August 8, 2016 regulatory comments, attached hereto). An analysis prepared by the National Association of Home Builders (NAHB) shows that in a highly-price-sensitive market like manufactured housing, a cost increase of this magnitude would exclude literally millions of lower and moderate-income Americans from the ability to purchase a HUD Code manufactured home and from home-ownership altogether, a shocking setback for – and disservice to – millions of already hard-pressed working Americans based on a totally unnecessary regulation.

Even worse, the standards proposed by DOE would not result in energy cost savings for many manufactured home purchasers (notwithstanding DOE’s deceitful use of alleged global “savings” to offset domestic regulatory costs under its “Social Costs of Carbon” construct) – contrary to EISA – and could actually result in life-cycle energy operating cost increases in many areas according to comments filed in the DOE rulemaking by the non-partisan George Washington University Regulatory Studies Center (please see, copy attached hereto). Effectively, then, the proposed DOE regulation represents a regressive and destructive tax targeted against the nation’s most affordable non-subsidized homes, that will disproportionately harm lower and moderate-income Americans.

The proposed DOE standards, moreover, are the product of an egregious and fundamentally-tainted “negotiated rulemaking” process involving – among other things -- selective leaks of inside information and coordinated ex parte activity between DOE and selected parties in interest, to the extreme detriment and prejudice of other rulemaking stakeholders including, especially, smaller industry businesses.

This baseless attack on home-ownership and the thousands of mostly smaller businesses that comprise the manufactured housing industry should not be tolerated by either Congress or the Trump Administration. We therefore urge you to review and reject this unnecessary and extremely damaging rule in accordance with the terms and procedures of the Congressional Review Act, and will contact your respective offices soon to schedule meetings to address this matter.

Thank you in advance for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Weiss', with a long horizontal flourish extending to the right.

Mark Weiss
President and CEO

cc: Hon. Mike Pence, Vice President-Elect
Hon. Mick Mulvaney, Director Designate, U.S. Office of Management and Budget
Comptroller General of the United States
MHARR Manufacturer Members