



ICC Town Hall Meeting on ICC – IAPMO Proposed Joint Venture Plumbing & Mechanical Codes

Denver, Colorado

July 15, 2006

Welcome and Introduction

Rick Weiland, COO
Moderator

Meeting Agenda

Morning Session

1. Overview of the Joint Venture, Relationship to the ICC Mission and Benefits

Henry Green, ICC President

Chris Salazar, IAPMO President

Frank Hodge, Immediate Past President

Dan Daniels, IAPMO

Q & A Session

2. Framework of the Agreement and Code Development Process

Wally Bailey, ICC Vice President

Neil Bogatz, IAPMO General Counsel

Steve Shapiro, ICC Secretary/Treasurer

Q & A Session

Meeting Agenda (cont.)

Afternoon Session

3. Q & A Session

4. Member Support - Products and Services

Steve Shapiro, ICC Secretary/Treasurer

Dominic Sims, ICC Deputy COO

Mark Johnson, ICC Business & Product Development

Allen Inlow, IAPMO Business & Product Development

Q & A Session

Joint Venture Overview

Relation to ICC Mission

Benefits of an Agreement

History of Negotiations

- Exploratory Discussions (Summer 2005)
 - Fundamental purpose: To see if ICC and IAPMO could find a mutually acceptable way to produce a single plumbing code and single mechanical code in support of the ICC mission
 - Two key goals for ICC:
 - Further the ICC mission of a single family of codes
 - Keep governmental members involved in how the new codes are developed

History of Negotiations

- MOU (September 2005)
 - Each side made a commitment to try to create the joint venture
 - MOU provided the framework for subsequent discussions on substantive issues
 - The principles in the MOU focused on jointly creating codes that would become part of the I-Code family

History of Negotiations

- Little Rock (November 2005)
 - Negotiating teams (Executive Committee & senior staff) from each side met for a full day
- Identified key issues
 - Code development process
 - Relationship of new codes to other I-Codes, including cross-references
 - Relationship between the new codes and the International Residential Code (IRC) and International Fuel Gas Code (IFGC)
 - Whether the agreement would include ancillary services such as training and certification

History of Negotiations

- San Antonio (February 2006)
 - Extensive discussion of key issues and each party's values and goals
 - For ICC:
 - Integrated family of codes
 - Governmental role
 - For IAPMO:
 - Importance of the plumbing code to their identity
 - ANSI accreditation

San Antonio Outcome

- Sincere desire on both sides to reach an agreement
- Need for intense effort to resolve issues in order to produce joint codes in 2009 cycle
- Established 2 work groups to try and find potentially acceptable solutions regarding:
 - Code development process
 - Business arrangements, including copyright, integration with other I-Codes, role of IRC and IFGC, and training and certification

Negotiation Process

- After San Antonio and agreement on key issues, several Task Groups (“TAG’s”), comprised of members from each organization, were created
 - Process TAG – ICC lead: Wally Bailey
 - Business TAG – ICC lead: Steve Shapiro
 - Education, Training & Certification TAG – ICC Lead: Dominic Sims
 - Voting TAG – ICC Lead: Dominic Sims
 - All TAG’s were supported by ICC senior staff, Mark Johnson, Sara Yerkes, Tom Frost, Kathleen Mihelich and others

ICC Board Review

- At the March ICC Board of Directors meeting, in Sacramento, the Board heard an exhaustive presentation on the discussions with IAPMO.
- The Board reviewed a number of details to assure that the spirit of the ICC's core principles were being preserved and that the goals outlined in the September 2005 MOU were being observed.
- The Board agreed that the talks were on course and should continue. The next stage would include developing more detail to present a comprehensive report to the membership.

What happens if we don't create the new codes?

- Both sides believe that they can at least maintain their current market position, i.e., neither side believes that it will get "defeated" by the other
- Each side will spend a lot of energy and members' money to gain the upper hand, or at least to maintain the status quo
- We will match each other's level of effort, in effect creating an "arms race"
- Lose-Lose

What happens if we don't create the new codes?

- Continued inconsistency among plumbing and mechanical regulations
 - ICC goal: Single coordinated set of codes
- Direct competition regarding plumbing and mechanical code adoptions
 - Distracting and expensive for ICC and IAPMO and for adopting jurisdictions
- Potential on-going opposition by IAPMO and its allies to adoption of other I-Codes, especially the International Building Code (IBC)

What does no agreement mean for future code adoptions?

- ICC has marketing advantage for IPC because of coordinated set of I-Codes
- UPC is central to IAPMO's identity and they will fight hard to promote it
- Both codes currently have significant support
- Result: ICC and IAPMO will likely continue to share the plumbing code market

What do on-going adoption battles mean for ICC?

- Organizational Distraction: The organization's staff, leadership and members will continue to spend a disproportionate amount of resources on adoptions
- Membership: Energy, resources will be expended on adoption battles rather than on member needs and services

What do on-going adoption battles mean for stakeholders?

- Allies: Will be asked to continue to provide energy and resources in adoption battles
- Adopting jurisdictions: Adoption battles are distracting and costly
 - May become “battle weary,” which could affect ICC relations
- Both ICC and IAPMO subject to criticism for failure to put the public interest first and find a way to resolve code development issues

What are the benefits if we reach an agreement?

- We advance the ICC mission by moving closer to a single family of coordinated codes
- We further validate ICC's consolidation vision to provide a single family of codes
- We strengthen ICC's overall organization, and further secure our ability to provide a family of model codes in the future
- We have more resources and better opportunity to serve our members

What are the benefits if we reach an agreement?

- We demonstrate leadership in our industry by recognizing and responding to public's desire to end "adoption wars"
- We have a strong partnership to help promote the ICC mission at all levels of government – local, state and national
- We are better positioned to grow and serve members

Framework of the Agreement and Code Development Process

Essence of Proposed Agreement

- Each entity remains separate, maintains individual identity; would produce joint products (plumbing and mechanical)
 - IAPMO would manage development and publication of the Plumbing Code
 - ICC would manage development and publication of the Mechanical Code
 - Both parties retain copyright to their current intellectual property
- Each organization would distribute both of the new codes (and supporting products)

“Pre-nuptial agreement”: Goals

- Eliminate economic incentive to terminate agreement
- Ensure that neither party would gain competitive advantage by withdrawing from the agreement
- Goal: If agreement does not work out, return the parties to the position they are in today
- Minimize the risk to both parties of entering into the agreement

Termination

- Agreement would remain in effect unless terminated by either party
- Could terminate for any reason if notice given at the beginning of each code cycle (within 90 days of publication of the new codes)
- Either party could terminate for cause at any time

Scope of New Codes

■ Plumbing Code

101.2 Scope. The provisions of this code shall apply to the erection, installation, alteration, repairs, relocation, replacement, addition to, use or maintenance of plumbing systems within this jurisdiction. This code shall also regulate nonflammable medical gas, inhalation anesthetic, vacuum piping, nonmedical oxygen systems and sanitary and condensate vacuum collection systems. The installation of fuel gas distribution piping and equipment, fuel gas-fired water heaters and water heater venting systems shall be regulated by the International Fuel Gas Code. Provisions in the appendices shall not apply unless specifically adopted.

Exception: Detached one- and two-family dwellings and townhouses not more than three stories above-grade in height with a separate means of egress and their accessory structures shall comply with the International Residential Code. Compliance with this Code in lieu of the IRC shall be permitted as an alternative.

Scope of New Codes

■ Mechanical Code

Scope. This code shall regulate the design, installation, maintenance, alteration and inspection of mechanical systems that are permanently installed and utilized to provide control of environmental conditions and related processes within buildings. This code shall also regulate those mechanical systems, system components, equipment and appliances specifically addressed herein. The installation of fuel gas distribution piping and equipment, fuel gas-fired appliances and fuel gas-fired appliance venting systems shall be regulated by the *International Fuel Gas Code*.

Exception: Detached one- and two-family dwellings and townhouses not more than three stories above-grade in height with a separate means of egress and their accessory structures shall comply with the International Residential Code. Compliance with this Code in lieu of the IRC shall be permitted as an alternative.

Composition

■ Plumbing Code

- The working draft of the Code will be composed of two parts
- 1. An amalgamation of the IPC and UPC scope
- 2. 2006 UPC content (including ICC IFGC content)

First Edition

■ Plumbing Code

- The first edition of the will be composed of
- 1. An amalgamation of the IPC and UPC scope
- 2. 2006 UPC content (including ICC IFGC content)
- 3. Code changes approved through the Code Development Process from the Integration Committee and others

Composition

- Mechanical Code
 - The working draft of the Code will be composed of the two parts
 - Scope of the 2006 IMC
 - Content of the 2006 IMC

First Edition

- Mechanical Code
 - The first edition of the Code will be composed of
 1. The IMC scope
 2. 2006 IMC
 3. Code changes approved through the Code Development Process

Branding

- New codes would be jointly branded as part of the ICC family of codes and would have “look and feel” of I-Codes
- Title:
 - *“International Uniform Plumbing Code” (IUPC)*
 - *“International Uniform Mechanical Code” (IUMC)*
- IAPMO and its members/stakeholders would fully support adoption of ICC family of codes

Code Development Process

Summary of Proposed Process for Plumbing Code

ICC Process	Proposed Process		Comments
Step	Structure/Voting/Other	Step	
Call for proposals		Call for proposals	<p>Integration Committee – As part of the first code development cycle, a committee, half appointed by each organization, will review the IPC and propose changes to be considered for the first edition of the IUPC</p>
Publish monograph		Publish monograph	
Code Development committee meeting	<ul style="list-style-type: none"> -30 members -ANSI balanced committee -Appointed by Plumbing Code Council, ½ from IAPMO's nominees, ½ from ICC's nominees -Parties would maximize number of governmental members (1/3) on the Committee, with each organization appointing ½ the members -UPC content will be used as the working draft -IPC content could be submitted as code change proposal by the Integration Committee -Takes 2/3 vote to change code 	Code Development committee meeting	

Summary of Proposed Process for Plumbing Code

ICC Process	Proposed Process		Comments
Step	Structure/Voting/Other	Step	
Committee official vote		Committee vote	
Vote by Assembly immediately after Committee vote	Assembly = any member of IAPMO or ICC in attendance	Vote by Assembly immediately after Committee vote	
Both Committee action and Assembly action published in "Report of Hearings"		Committee "official" vote sometime after public hearing	
		Both Committee action and Assembly action published in "Report on Proposals"	

Summary of Proposed Process for Plumbing Code

ICC Process	Proposed Process		Comments
Step	Structure/Voting/Other	Step	
Publish public comments		Publish public comments	
Final Action (public) Hearing	Testimony from any member of the public is permitted without notice	Second Code Development Committee public meeting	
		Committee votes on Assembly action from first public hearing and on all or public comments	

Summary of Proposed Process for Plumbing Code

ICC Process	Proposed Process		Comments
Step	Structure/Voting/Other	Step	
Governmental members vote on all public comments, Assembly actions from first public meeting, and Committee actions		Governmental members from both IAPMO and ICC vote on all Committee actions	
		Committee reconsiders all actions where governmental member vote is different from Committee's earlier vote	

Summary of Proposed Process for Plumbing Code

ICC Process	Proposed Process		Comments
Step	Structure/Voting/Other	Step	
Appeals Panel	<ul style="list-style-type: none"> •ANSI balanced committee •Appointed by the Board of Appeals •9 members – 6 nominated by IAPMO, 3 by ICC •Parties would maximize number of governmental members (1/3) on the Council •First level of appeal •Anyone can file an appeal •Appoints Code Devel. Committee members •Also has overall admin. authority over the code development process •Can recommend minor changes to development process 	<p data-bbox="972 529 1315 829">Automatic appeal to the Plumbing Code Council if governmental member position is rejected by Committee</p> <p data-bbox="1011 1086 1277 1165">Plumbing Code Council</p>	

Summary of Proposed Process for Plumbing Code

ICC Process	Proposed Process		Comments
Step	Structure/Voting/Other	Step	
Board of Directors	<ul style="list-style-type: none"> •Consists of governmental members only •5 from IAPMO Board of Directors, and 4 from ICC Board •Final level of appeal •Has the power to take any action involving a “legal or safety” concern •Appoints Plumbing Code Council members •Ratifies minor changes to the code development process made by the Plumbing Code Council 	Board of Appeals	
	<ul style="list-style-type: none"> •4 person sub-committee •2 members each from IAPMO and ICC Boards •Reviews proposed “substantial” changes to code development Process; provides recommendations to full Boards of both IAPMO and ICC •Recommended changes must be ratified by both IAPMO, ICC Boards 	Process Sub-Committee	

Summary of Plumbing Process

Call for proposals



Publish Monograph



Committee action on
monograph – public
hearing



Publish report of
proposals



Summary of Plumbing Process

(cont'd)

Receipt of public
comments



Committee action on
public comments



Governmental member vote

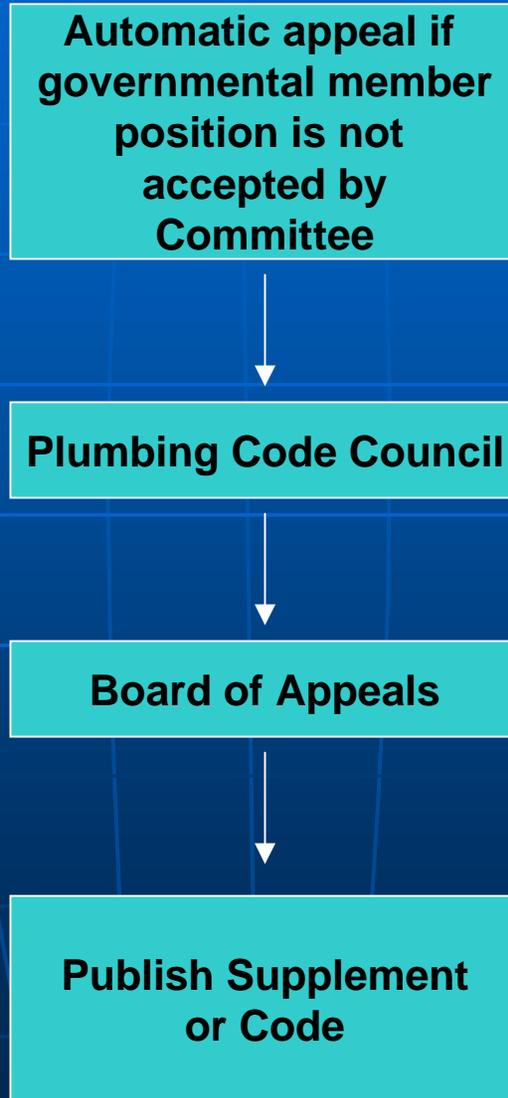


Committee reconsideration
(via ballot process) of
governmental member vote

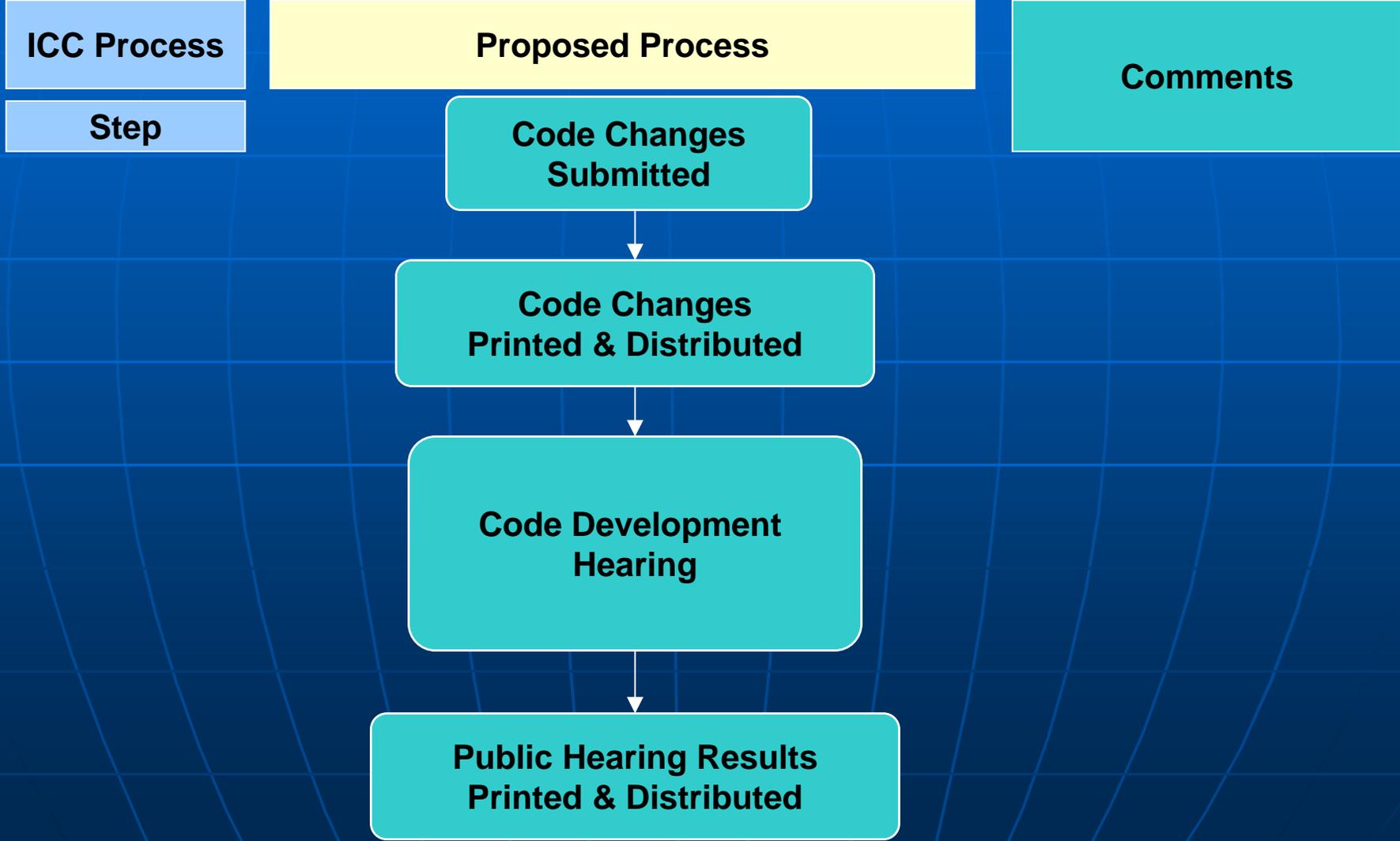


Summary of Plumbing Process

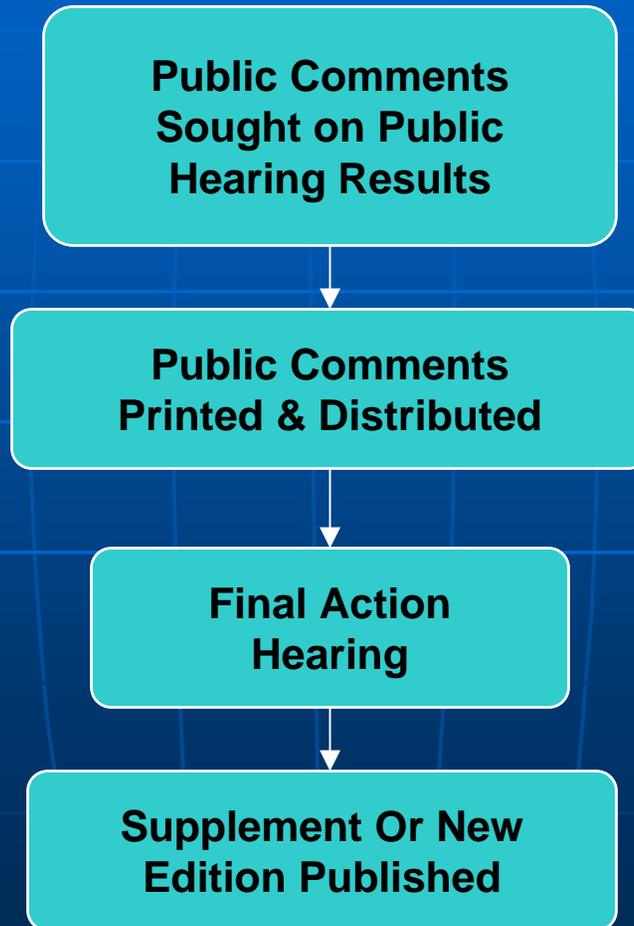
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Summary of Mechanical Code Development Process



Summary of Mechanical Code Development Process (cont'd)



Voting

■ Plumbing Code

- Governmental member voter: An individual employed by a governmental jurisdiction (e.g., code official, inspector) who is ICC or IAPMO member
- Assembly voter: Any ICC or IAPMO member in attendance

Voting

■ Mechanical Code

- Governmental member: An individual employed by a governmental jurisdiction (e.g., code official, inspector) who is ICC or IAPMO member, subject to the allocation of governmental representatives set forth in the ICC bylaws at Table 2.1.1.1, which will be independently applied by each organization so that a jurisdiction is able to designate a full set of representatives

Relationship to IRC

- IRC would remain a stand-alone code and continue to maintain residential plumbing provisions developed using the ICC process
- Make-up of IRC P&M Code Committee:
 - 4 members nominated by NAHB
 - 4 members nominated by the IAC (including one plumbing industry representative, who is an IAC member, nominated by IAPMO)
 - 2 governmental members nominated by ICC
 - 2 governmental members nominated by IAPMO

Relationship to IFGC

- IFGC will be maintained, as currently structured, using the ICC process
- Make-up of IFGC Code Committee:
 - 4 members nominated by AGA
 - 4 members nominated by ICC
 - 4 members nominated by IAPMO

Publication Format

- Both codes will use the ICC “Common Code” format
- Administrative provisions of Chapter 1 of both codes would be coordinated through the administrative process for all other I-Codes
- For the convenience of users, IUPC can be packaged with IRC plumbing requirements. IRC content will be published in aggregate without change

Publication Format

- To provide consistency of fuel gas requirements in I-Code family, IFGC will be included, in aggregate and in a distinct chapter within the IUPC, that will identify the source and designated as non-ANSI content
- Material from the IRC and IFGC can only be modified through their respective ICC code development procedures

Member Support - Products and Services

Support for Members

- Negotiating Goal
 - Assure that support for members for Plumbing & Mechanical Codes would be enhanced
 - Look for ways to leverage strengths of both ICC & IAPMO
 - Maintain one-stop shop for ICC members

Support for Members

- Code interpretations
 - Goals: provide services for members of both organizations that are reasonably consistent
 - Code opinions – Each organization would provide individually
 - Informal written code opinions – Each organization would provide individually
 - Written – Answers and Analysis joint committee (will resolve conflicts between informal opinions)
 - Formal – Code Development Committee

Support for Members

- Education, Training & Certification
 - ICC will continue to coordinate seminar delivery to its members/clients/chapters
 - Training and education content would be co-branded
 - ICC will leverage IAPMO resources in the delivery of education & training

Support for Members

■ Certification

- ICC and IAPMO will develop joint certification program for Plumbing & Mechanical Codes (not including Medical Gas)
- The program will be managed by ICC
- All existing applicable certified members of ICC & IAPMO program will automatically be rolled into the joint program

Support for Members

- Certification (cont'd)
 - IAPMO will be joint sponsor
 - ICC's and IAPMO's logos will each be displayed on the certificate
 - Program oversight will be responsibility of ICC Board for International Professional Standards; ICC will add one person nominated by IAPMO
 - ICC will appoint one IAPMO member to the certification program's "User Advisory Committee."

Support for Members

- Code Books & Support Resources
 - ICC will provide the complete family of codes
 - ICC will continue to provide a complete line of support resources for the family of codes
 - ICC will leverage the resources of IAPMO in providing support products & services

Additional concepts

- Parties will consider some kind of “fix it” clause in Agreement to address unanticipated, significant issues
- Parties will create a permanent, joint oversight committee to monitor the agreement relationship and help ensure its success

Closing

- Thank you
- Send us your comments by
 - Fax
 - E-Mail
 - Call a Board member