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Retailers endorse \$100 fee for ad campaign, but manufacturers delay vote

ATLANTA -- The national association that represents factory-built housing dealers across the nation voted to impose a \$100-a-floor fee on each HUD-code and modular dealer to pay for a national advertising campaign.

But a final vote was delayed today by national manufacturers, who want to discuss the issue further and seek additional details on the advertising proposal.

The effect of the action was to delay a final vote for at least three weeks.

The actions took place during the annual meeting of the industry's national organization, the Manufactured Housing Institute (MHI), this week in Atlanta. The meeting ended today.

At MHI's last meeting, the National Retailers Council voted to ask MHI to support a national advertising campaign to be paid for by fees imposed on retail centers.

MHI's board of governors overwhelmingly voted Sunday to support the national advertising campaign and told the Retailers Council to come up with a fee level that the Manufactured Housing Division could find acceptable.

Led by Chairman Ken Anderson of Arizona and Leo Poggione of Nevada and promoted by Steve Brown of West Virginia and Rich Rand of Wisconsin, the Retailers Council voted Monday to recommend a \$100-a-floor fee on both HUD-code and modulars to the manufacturers' group.

Only three members of the panel -- representing Oklahoma, Texas and Tennessee -- voted against. Before agreeing on the fee level, the board refused a motion to set the fee at \$150-a-floor and defeated a proposal to set the fees at \$50-a-floor.

The \$100-a-floor would raise an estimated \$11 million.

Brown said the \$50 fee was insufficient in the amount of money it would raise, about \$5 million.

Kevin Clayton, president and CEO of Clayton Homes Inc. had supported the lower figure until more details of the national campaign were clarified. He said more research was needed before the campaign was fully developed. Clayton is the nation's largest manufacturer and has many retail centers of its own.

The proposal made to the MHI board called for a campaign that involves television, internet and print media that would begin in the spring.

No vote was taken when the recommendation reached the manufacturers' panel today, but the consensus was to delay a vote for three weeks when a telephone conference could be arranged among the members.

In the meantime, Clayton directed Gail Cardwell, president of MHI, to obtain additional information about the ad campaign proposals to flesh out information provided so far. He wanted to know more of the demographics, how the ads would look and where they would be placed.

Additionally, other manufacturers said the proposal was so new to them that they wanted to consult with their retailers to determine if the proposed fee would be acceptable to the dealers.

Those present expressed a general concern that the imposition of the fee might drive members out of participation in industry trade associations while giving an unfair advantage to companies now unwilling to join or assist the associations by paying dues.

No exact date was set for the next meeting.