MARKET POTENTIAL:
Insulation Is The New Bonanza

The insulation market will be a government mandated market running into billions of dollars

For a wall and ceiling contractor searching out new profit avenues in the construction industry, all roads should lead him to the area of insulation.

With the increased price of oil—meaning energy in virtually all forms—the market for insulation in both new and existing buildings should prove a bonanza starting NOW.

The reason? Money—and a need to conserve.

It's costing more all the time to purchase the energy to make a structure habitable. And the cost is not just rising in small increments. It's jumping by what exaggerators call quantum leaps.

With the official announcement of the Carter administration's new national energy policy, the insulation market will be a government mandated market running into the billions of dollars.

And right now, there is no professional group in the construction industry that is taking dead aim to claim a market that will be growing faster than any other segment in the construction market.

Not only is the increasing cost of energy to the home owner or building owner serving as a stimulus on the one hand, but the Carter administration's tax and credit package to promote better energy conservation via the insulation route is building the bonanza from the other.

At the same time, various agencies are already in the final stages of completing energy consumption guidelines. These so-called guidelines in many quarters are being referred to as “limits,” dramatizing the broad scale support that a contractor can expect should he move more seriously into the insulation market.

ASHRAE (American Society of Heating, Refrigerating, and Air Conditioning Engineers) has completed its report, which provides recommended energy specifications and use for energy consumption in new structures.

While ASHRAE was working on its guideline—now being adopted in total by the majority of the code making bodies in the country—the federal government’s General Services Administration (GSA) has been pushing ahead with its energy use guideline. The agency is expected to announce its implementation for federal and other public buildings in the near future.

In short, these guidelines will be establishing an upper energy use limit (probably expressed in BTUs, or British Thermal Units). The buildings will simply need to be designed to accommodate themselves to a restricted energy consumption.

Such a new emphasis points up the importance of life-cycle costing and has led such esteemed construction economists as F. W. Dodge’s George A. Christie to comment “... this suggests a

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certainly learned their lesson. They will not get caught asleep again.

ASHBROOK: In the final analysis, members of Congress simply did not want to go on record as favoring common situs, no matter how many changes were made in the bill.

The defeat of common situs picketing legislation is a victory for sensible labor policy and for all those who work in or depend on the construction industry.

CREIGHTON: It is the wish of the participating members of the National Action Committee that it continue and to select a few future issues on which broad-based management support can be secured.

If Washington representatives can continue to use the plural personal pronoun “we” and strike from the English language the singular personal pronoun “I”, management will continue to achieve successes on Capitol Hill.

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trade—off between higher initial construction cost—perhaps partially offset by government subsidy—and reduced operating costs throughout the life-cycle of the a building.”

Under conditions of life-cycle, the historical low bid no longer will possess its importance in a bidding situation. The winning bid by a specialty contractor will involve not only the first cost of constructing the system but also an amount of the maintenance and operation of the system.

Life-cycle costing is the motive behind the Public Building Services recent efforts on two-step bidding wherein the prime manufacturer is being asked to design a complete system or subsystem, install it, and then assure that its operating and maintenance cost bidding are realistic.

Because the bidding will be directed primarily at manufacturers who will accept life-cycle responsibility, the contractor tends to receive short shrift. And it was this tendency to downplay the contractor’s role that recently led the National Construction Industry Council (NCIC) to formally draft a public critique of the government’s obvious direction.

Understandably, all—or at least most of this activity—has been performed without any added stimulation from President Carter. These various agencies, recognizing just what the 1973 oil embargo meant, went ahead in the absence of a comprehensive plan from the federal government.

Now that the Carter Administration has announced a bold plan, conservation and insulation can be expected to hold priority positions for the next several years and/or decades.

The touchstone to Carter’s entire package—and this is the one