EXHIBIT XIII

PRESENTATION BY: IDCNA COMMITTEE ON STANDARDS

PLANS FOR THERMAL INSULATION AND REFERENCE MANUAL

October 11, 1965

President Breeding
Members of IDCNA
and NIMA

Gentlemen:

We must face our problems as contractors just as we do as individuals.

As individuals and as contractors the two essentials of success are a group relation and pride of accomplishment. We must maintain a strong regional grcup for our individual balance. Immediately a shrinking world indicates the need for a group relation of regionals. Hence, I.D.C.N.A.

A manual of insulation standards and contractor-engineer guides to enhance the regional group relation and to be the voice and footprints of all the associations is what has been conceived by Chairman Con Wiegers and Former President Charles Vaughn.

If, as contractors, we are grouped we are balanced, if balanced strong. If strong, we help the labor and union situation that we face. We help labor because labor leadership is created by opposition. Rather than having the union and labor manage our business due to the management vacuum that we leave behind us labor can deal exclusively with labor's affairs.

It is fair to say that the trouble with labor and unions is that we do not manage our business.

Locals that lack leadership - headless bodies - are the ones of whom not enough has been required in areas of responsibility and loyalty from employers. The bosses!

It is fair to say, too, that most of the troubles manufacturers have is due to the fact that as contractors we do not manage our business. Organized labor lays itself directly across the path of manufacturers when it is forced or allows tradition to raise the cost of the job, archaic practices to be perpetuated at the expense of the consumer and the image of the whole industry.

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The manufacturer (and the contractor!) are in direct competition with labor on the job for each insulation dollar spent by the consumer. We must help the manufacturer, engineer design their job to stay in the middle because the cost of materials will be the larger part of job costs soon whether we stay in the middle or not. There is less and less "middle" for an independent contractor as a broker every day.

A manufacturers' representative who has a splendid, unique new product that he could not sell to a large contractor that needed his product, that could upgrade the job and reduce the cost, asked the other day, "How do you tell a reasonably intelligent man that he is a fool?" Obviously, you do not - - - but as to what would help this man - - - only a comprehensive, endorsed, approved reference manual on specifications, materials, guidelines for application, and guidelines for management and installed selling. This manual to be complete in scope, of unquestioned integrity, and in the hands of every producer, installer, specifier and major user in the United States.

Increasing volume to cure contractors' business ills is like taking a drink to cure a hangover. Selection and proper use of materials available now can upgrade the job, reduce cost, extend manpower now available to the point where it could probably be adequate, improve profit, reduce overhead and eliminate the source of most of our labor conflicts.

The cost of material is not what governs profit and volume in insulation contracting. The cost of labor is not what governs profit. The mark-up is not what governs profit! Production using quality materials is what governs profit!

In our business having a 2-1/2 labor cost factor to 1 for material if you control your estimated labor cost by only 5% downward and re-extend your estimate you will have the profit equivalent of double your volume!!

A contractor always tries to beat material price when material is only 30% of the job. If the jobs were specified so that application was 30% of the cost - - - !! Imagine the new vistas that would be opened to the manufacturers for volume and profit and better business. Again, the manufacturer and contractor are now in competition with the insulation mechanic on the job for the smallest portion of the dollar volume of insulation purchased.

Summary: The final solution to our problems (contractors-manufacturers-labor) is new products and the proper use and application of the best of today.

As contractors we cannot follow tradition (a curse on costs!) in design and application and remain under the umbrella afforded by a service contract with the union. Thermal insulation and spiraling labor cost cannot be stopped by the "road block method." They can only be outrun.

Nearly all self-styled "Insulation Experts" are usually "Islands of Ignorance." Probably 30% of the insulation contract dollar is wasted on at least 50% of installed work that is incorrectly designed and completed.

The manual will have complete integrity without compromising labor, the contractor, the manufacturer of thermal insulation. However, laggings and applications that should not be used except for wrapping mummies will be delt with fairly too.

This manual is late. The overwhelming, universal, compounded, absolute demand for it now makes it too ridiculous to discuss any further.

Your constructive comments and necessary support are solicited.

J. P. Ennis
Sub-Chairman, Standards Committee