



HPBA 2011 Manufacturer Membership Application

(For the period January 1, 2011 – December 31, 2011)

www.hpba.org

Company _____

Address (Please provide a street address) _____

City _____ State/Province _____ Zip/Postal Code _____ Country _____

Company Phone _____ Company Fax _____ Toll Free Phone/Fax _____ / _____

Company E-mail _____ Company Web Site _____

Primary Contact _____ Title _____

Phone _____ Fax _____ E-mail _____

Does your company brand, import, or manufacture any solid fuel related products? YES or NO (please circle your answer) If YES, please see the (NSPS) explanation on back of application.

COMPLETE THE FOLLOWING FOR 2011 HPBA MANUFACTURER MEMBERSHIP

| Dues Level | North American Sales | Dues (\$US) | EXPO Badges |
|-----------------------------|----------------------|-------------|-------------|
| <input type="checkbox"/> M1 | \$0 to \$1 million | \$1,680 | 7 |
| <input type="checkbox"/> M2 | To \$2 million | \$2,581 | 11 |
| <input type="checkbox"/> M3 | To \$5 million | \$4,404 | 15 |
| <input type="checkbox"/> M4 | To \$10 million | \$6,309 | 19 |
| <input type="checkbox"/> M5 | To \$20 million | \$9,218 | 23 |
| <input type="checkbox"/> M6 | To \$50 million | \$12,564 | 31 |
| <input type="checkbox"/> M7 | To \$100 million | \$16,046 | 35 |
| <input type="checkbox"/> M8 | To \$200 million | \$22,943 | 39 |
| <input type="checkbox"/> M9 | Over \$200 million | \$30,727 | 45 |

Reportable Sales:

2011 HPBA membership dues are based on all sales of **hearth** and/or **barbecue** products of the manufacturer and shall be based on the manufacturers' **2010** calendar year-end sales (*projected year-end sales if actual sale figures are not yet available*) of hearth and/or barbecue products, their components, accessories, and fuels, including but not limited to such products that are manufactured, branded, imported, sold or distributed through **any and all distribution paths**, calculated in \$US for all such transactions in North America.

HPBA membership dues for manufacturers of products **other** than hearth or barbecue products as defined above shall pay membership dues representing the lowest manufacturer dues category.

2011 Member Dues Calculation

1. Does your Company have any Sales in Canada? Yes No

2. Is your Company located in Canada? Yes No

**Companies that can answer 'NO' to both questions above are eligible for an 8.5 % discount on their 2011 membership dues. (Certification of 2010 reportable sales may be required.)*

2011 Membership Dues (from schedule above) (\$US) _____
 - 8.5% (if applicable) (\$US) _____

= Total 2011 Membership Dues (\$US) _____ (nearest whole dollar amt.)

I certify that we have selected the appropriate membership category, have paid the appropriate level of annual dues for this company, and upon request will provide verification of sales and/or a notarized letter attesting to membership classification and dues category for this company.

Signature: _____ Title: _____ Date: _____

Condition of eligibility for membership and agreement to abide by the bylaws, dues, and membership policies of HPBA.

This company agrees to fully abide by all HPBA membership policies and practices including, but not limited to, all HPBA policies and practices regarding exhibiting at, participating in, and attending HPBA's annual Hearth, Patio & Barbecue EXPO, including the following:

- Events in the nature of an exhibition of products, other than in an EXPO exhibit booth, whether hosted by a vendor or by a retailing entity or by a distributor customer of hearth products, are prohibited at any time during the days of the EXPO education and exhibition.
- EXPO exhibitors may not have products on display at events attended by their dealers, other than in an EXPO exhibit booth, unless they obtain a variance from HPBA's EXPO Committee for a very narrow purpose.
- Manufacturers or other vendors who are not exhibiting at the EXPO also agree that they will not host events as set forth above at any time during the days of the EXPO education and exhibition.

• All manufacturers with solid fuel and/or gas related products and accessories are required to participate in the HPBA Special Projects (DOE & NSPS) funding assessment as a condition of membership. (Enclosed HPBA Special Projects Addendum)

As a result of paying annual membership dues to Hearth, Patio & Barbecue Association (HPBA) and/or any association affiliated with the HPBA, I certify that we have read the above statements and agree to abide by the (i) Bylaws, (ii) NSPS Addendum and (iii) the Membership Policies and Practices of HPBA. As an Officer of this company, I reaffirm that we have selected the appropriate membership category, and have paid the appropriate level of annual dues for this company.

Signature and Title of Company Officer (Required for Membership)

Date

Print Name

Payment Information

Mail: Send this completed application with a check for the full amount payable to the address below.

Fax: Fax application (**front & back**) with credit card payment to the number below.

Please charge my credit card Visa MasterCard AmEx \$US Amount _____

Credit card account number _____ Expiration date _____

Billing address zip/postal code _____

Name appearing on credit card (*Print Name Clearly*) _____

Signature _____ Date _____

Enclosed is my check in the amount of \$ _____ made payable to Hearth, Patio & Barbecue Association.

Remit U.S. funds only. For U.S. federal income tax purposes membership dues may be deductible as business expenses, not as charitable contributions. The Omnibus Budget Reconciliation Act of 1993 requires HPBA to inform each member that an estimated 10 percent of dues in 2011 will be allocable to lobbying expenditures as defined by the Act and therefore are not deductible as business expenses.

Hearth, Patio & Barbecue Association

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HPBA Special Projects Addendum NSPS Initiative / DOE Challenge (Membership Application Addendum)

NSPS INITIATIVE BACKGROUND

The New Source Performance Standards (NSPS), the primary industry regulation from the U.S. Environmental Protection Agency (EPA), is being revised and updated for the first time since its inception twenty years ago. The NSPS for New Residential Wood Heaters, 40 CFR Part 60, Subpart AAA, is commonly known as the “EPA wood stove certification program” and regulates many subsets of the hearth industry. These NSPS revisions will determine the future of the industry by its impact on the manufacture, production, design, and quality of products.

To curtail any unwarranted expansion of the NSPS regulation, HPBA has created a new program – the NSPS Initiative – to coordinate and present the concerns of our members to EPA and educate other decision-makers about the industry. This program has grown to almost 90 HPBA members whose businesses will be directly affected by the new revision. These HPBA members have been assessed, and are paying, an additional amount (coupled with their membership dues) to help fund the HPBA efforts to influence the best possible outcome of a potentially broader NSPS.

Impact of the NSPS on HPBA Members

This new edition of the NSPS will determine the regulatory future of the solid-fuel burning industry for the next decade or longer. A negative outcome in the NSPS revision could result in federal regulations that would severely limit the use, sale or manufacture of some products. Additionally, state regulations and laws that exceed the federal standards could be enacted, especially in those states known for strict environmental regulations. Local efforts to regulate the industry could also become more aggressive.

Alternatively, a positive outcome of the NSPS could result in the hearth industry having a level of federal approval that will allow for unprecedented product development and sales. It is our goal to seek the most positive outcome possible in the current NSPS review by coordinating the concerns of the hearth industry, meeting with EPA staff to continually educate them about our industry, and resolve any conflicts that may emerge by providing the research and arguments necessary to answer any technical or policy questions.

HPBA Briefings of Affected Members

To date, HPBA staff has briefed interested manufacturers on this emerging issue during:

- 1) Coalition conference calls;
- 2) The annual manufacturers meetings during HPBExpo;
- 3) Memoranda with NSPS Initiative policy and technical updates;
- 4) In-person conferences to discuss finer points of the regulatory revision, and to receive consensus regarding policy direction; and
- 5) Stakeholder meetings between EPA officials, HPBA staff and Coalition members.

Future Steps

The EPA's review of the Small Business Regulatory Enforcement Fairness Act (SBREFA), the Congressionally-mandated assessment of the impact of the NSPS on small businesses, is nearly complete. HPBA has also completed an economic assessment of what the revised NSPS will do to the solid-fuel industry. Information specific to the NSPS Initiative is available in a password-protected web portal on our website for all assessed members who are current in their payments. (Please contact Nick Bian to receive your NSPS Initiative web portal password at bian@hpba.org.) HPBA will continue to present technical and economic arguments to EPA as they prepare for the next steps in the NSPS timeline.

EPA's Tentative NSPS Timeline

- 2009: Spring to Fall— EPA conducts an initial review of NSPS coverage
- 2010: Spring— EPA finishes initial review
 - Fall— Small Business Regulatory Enforcement Fairness Act (SBREFA)
- 2011: Spring— EPA issues a “Notice of Proposed Rulemaking” (NOPR)
 - Fall— EPA will issue a Proposed Rule
- 2012: Spring— EPA will issue a final rule

The “Notice of Proposed Rulemaking” (NoPR), expected the spring of 2011, will formally lay out EPA’s proposed scope and targets and invite comment from industry, states, and environmental groups. EPA intends to finalize the rule revision “approximately one year after the Advance Notice,” or approximately by October 1, 2011. This date will be strongly influenced by the volume and complexity of comments to the NoPR that they receive. In the summary of the June 16th briefing, the EPA acknowledges the probability of a “phase-in period” for any changes.

DOE CHALLENGE BACKGROUND

As part of its implementation of the Energy Policy & Conservation Act of 1975, the U.S. Department of Energy (DOE) issued final regulations on April 6, 2010, that set minimum efficiency standards for gas “direct heating equipment.” To the shock of all industry participants, the final rule defined most decorative gas appliances as direct heating equipment, subject to efficiency standards if its input capacity is 9,000 Btu/hr or greater, effectively banning the sale of decorative gas fireplaces.

HPBA has Challenged the DOE Rule

To delay the implementation of this rule and its potentially devastating impact on the gas hearth industry, HPBA filed a legal challenge on May 27, 2010, in the U.S. Court of Appeals for the District of Columbia. The legal challenge stated that the decorative provisions of the final rule were “promulgated without compliance with procedures required by law and are arbitrary, capricious, unsupported by substantial evidence, and otherwise contrary to law.” To add further insult, an environmental group, the Natural Resources Defense Council (NRDC), filed a legal challenge against our challenge and in support of DOE and the final rule. We have hired an influential law firm to represent our legal battle, and staff and industry representatives are regularly meeting internally with DOE, NRDC, and other groups to educate them on the technical reasons why their ideas about decorative gas appliances that they translated into the language on the final rule will simply not work.

Impact of the DOE Rule on HPBA Members

It’s no secret that the rule, as it is currently written, will have a detrimental impact on the gas appliance industry. The ruling outcome would determine the fate of the industry for the next 10 – 20 years and severely limit the use of these products.

FUNDING FORMULA FOR NSPS AND DOE PROJECTS

At its June, 2009 meeting in Orlando, the HPBA Board of Directors had an extensive discussion of the funding of the NSPS process. Since the first NSPS process in the late 1980s, HPBA has had a long history of assessing additional financial support from subsets of manufacturers when issues arose that were not universal and only affected a portion of membership. Generally, these assessments were matched by resources from HPBA’s budget. In line with this tradition, the Board voted on a 50/50 funding ratio, with HPBA matching the coalition member assessment. Assessed members include all solid-fuel manufacturers and distributors as well as ancillary companies. In 2010, the Board decided to use the same formula for our DOE legal challenge and to assess members whose products lines would be affected by the regulation.

Invoicing Details

- 1) Annual costs are estimated to be approximately 10%-15% of a company’s dues payment, based on its dues class;
- 2) Invoices are sent out quarterly;
- 3) Actual expenses are individually billed according to a membership dues proportional rate;
- 4) A company that has a fuel-specific product (such as gas or wood) as a minority portion of its production will pay the full NSPS or DOE assessment. (Example: A company that manufactures 20% wood products and 80% gas products would pay the full NSPS assessment, and a company that manufactures 20% gas products would be held to the same standard for the DOE Challenge); and
- 5) Participation is a condition of membership (i.e., mandatory) for companies who make products affected by this rule making.