• Understanding of current issue
• Describe proposed changes
• Solicit input and feedback
• Identify next steps
CRRC Licensees are companies who submit products for rating.

Divided into two types:
- Licensed Seller (LS)
- Other Manufacturer (OM)

LS sells products directly to market.

OM only sells to other companies that bring the products to market.

Companies can be LS, OM, or both (LS/OM)
### CURRENT LICENSEE CLASSES

<table>
<thead>
<tr>
<th>LS</th>
<th>OM</th>
<th>Annual Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $1M</td>
<td>&lt; $1M</td>
<td>$1,575</td>
</tr>
<tr>
<td>$1 - 10M</td>
<td>$1 - 10M</td>
<td>$4,200</td>
</tr>
<tr>
<td>&gt; $10M</td>
<td>&gt; $10M</td>
<td>$6,300</td>
</tr>
<tr>
<td>Factory-Coated Seller (LS)</td>
<td></td>
<td>$1,050</td>
</tr>
<tr>
<td></td>
<td>All other OMs</td>
<td>$2,625</td>
</tr>
</tbody>
</table>
“Factory-Coated Seller” is a company that fabricates and sells coil-coated metal products made by OMs.

OM category appears to be based around metal product manufacturers.

“All other OM” applies to non-metal OMs.
1. Remove separate LS/OM distinction and create one category: “Licensee”
2. Simplify Licensee structure by removing extraneous categories
WHY CHANGE?

• Simplify program rules
• CRRC documents do not define or justify need for LS/OM split
• No different requirements for OM and LS
• Sales to end-user or private label is managed at the product level
FURTHER REASONS FOR STREAMLINING

- Redundant and unnecessary
- Confusing to manufacturers and staff
- Increase fairness and transparency
- Will help in development of new database
PROPOSED CHANGES AND IMPACTS
• 205 Licensees
• 143 are LS or OM only
  – Possible removal of categories would create impacts
• 62 are both LS and OM
  – Currently pay higher of two Licensee fees
• Reduces categories from 8 to 3
• Revenue-based classes ONLY
• Eliminates:
  – “Factory-coated Seller”
  – “All other OM”
• Affected:
  – 20 factory-coated sellers (fee increase)
  – 4 “all other OMs” affected (fee may increase or decrease)
  – 9 “all other OMs” affected (fee decrease)
## ESTIMATED IMPACT

<table>
<thead>
<tr>
<th>Class</th>
<th>Fee</th>
<th>Before</th>
<th>After</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $1M</td>
<td>$1,575</td>
<td>83</td>
<td>103</td>
</tr>
<tr>
<td>$1 - 10M</td>
<td>$4,200</td>
<td>47</td>
<td>62</td>
</tr>
<tr>
<td>&gt; $10M</td>
<td>$6,300</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Factory-Coated</td>
<td>$1,050</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>All Other OM</td>
<td>$2,625</td>
<td>13</td>
<td>0</td>
</tr>
</tbody>
</table>
QUESTIONS AND NEXT STEPS
• Implementation timeline
  – To take effect with 2018 renewals process
• Is revenue to end users (LS) and private labeling (OM) considered separately?
  – i.e. if combined, would many companies pay higher Licensee fees?
Proposal to:

• Consolidate LS and OM into “Licensee”
• Simplify Licensee structure to include revenue-based classes only
• Removes
  − “Factory-coated seller”
  − “All other OMs”

Send feedback to jeff@coolroofs.org
QUESTIONS?

Or submit comments via email to jeff@coolroofs.org