

F

APPENDIX F

NATURE OF SPONSORSHIP EVENTS

A detailed listing of the events in each category is attached as Schedule 4.

I.O

GROUPE POLYGONE AND EXPOUR - \$ 44.8 MILLION

Le Groupe Polygone - Éditeurs Inc. ("Groupe Polygone") is a company operating in the fields of editing and publishing of magazines and other periodicals. Expour Inc. and Expour 2000 Inc. (jointly named "Expour") are two companies operating in the organization of expositions. These companies are owned by Mr. Luc Lemay and received SPS funds, primarily managed by Groupaction.

With contracts valued at \$44.87 million, Mr. L. Lemay, through Groupe Polygone and Expour, is the largest single recipient of SPS contracts.

A summary of contracted amounts sorted by type of event for which Expour was the sponsoree is disclosed in the following Table:

Table 1: Contracted Amounts by Event for Which Expour was the Sponsoree (\$ millions)

Event	Sponsorship	Agency		Total
		Commission	Production	
Radio Capsules	13.31	1.97	0.66	15.94
Salons	11.09	1.61	0.71	13.41
Magazines	3.91	0.56	0.97	5.44
Almanach du Peuple	1.97	0.28	0.65	2.90
Journal de Montréal et				
Journal de Québec	1.65	0.25	0.99	2.89
Soirées de films de pêches	1.75	0.24	-	1.99
Production and Planning	-	-	1.75	1.75
Télévision Communautaire	<u>0.48</u>	<u>0.07</u>	-	<u>0.55</u>
Total	<u>\$34.16</u>	<u>\$4.98</u>	<u>\$5.73</u>	<u>\$44.87</u>

Table 1a: Contracted Amounts by Event for Which Expour was the Sponsoree

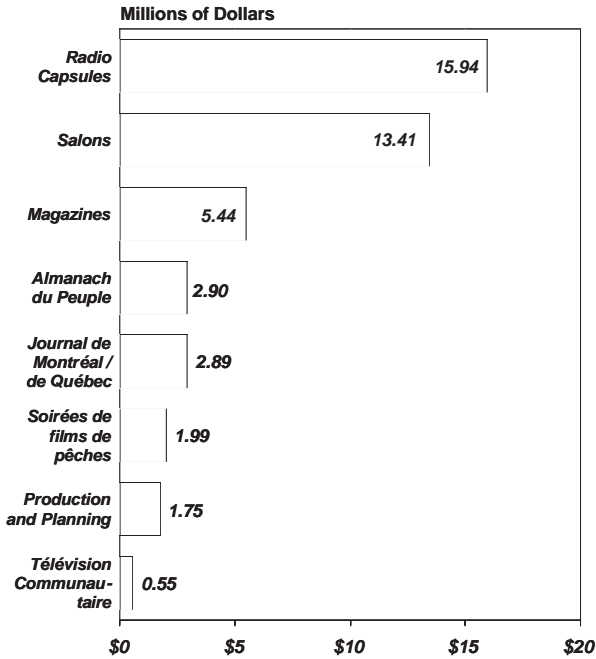
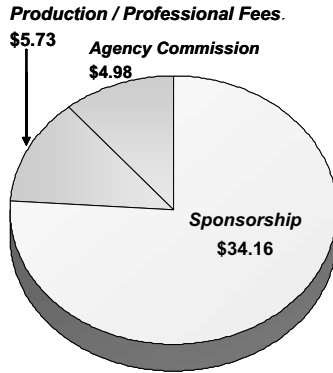


Table 1b: Contracted Amounts by Event for Which Expour was the Sponsoree



From the contracts related to the above-noted events, an amount of \$2.86 million has not been paid, to this day, by PWGSC.

1.1 Radio Capsules - \$15.94 million

This amount includes 17 events spanning the years 1996-97 to 2001-02. SPS contracts provided funding for a series of radio message campaigns providing tips on various topics, such as hunting, fishing and the outdoors, the economy, health, environment, agriculture and food, security and housing. In addition, two of these campaigns were related to weather reports and road and traffic reports. Each message was to end with a "Government of Canada" mention. The radio messages were aired on about 80 radio stations in rural Québec.

The sponsorship component of these contracts was paid to Groupe Polygone. In addition, the production component of these contracts was mostly paid to Groupe Polygone who was in charge of the editing, production and airing of the radio messages.

Appendix H provides the text of a few radio capsules sponsored by the GOC.

From the contracts related to these radio capsules, an amount of \$2.06 million has not been paid by PWGSC.

1.2 Salons - \$13.41 million

This amount includes 31 events spanning the years 1996-97 to 2001-02. The stated purpose of these events was to provide funding for hunting, fishing and outdoors shows or salons, and a few agriculture and First Nations-related shows or salons.

The first contracts, issued to Groupe Everest in 1997, related to salons held in Montréal (1997 and 1998) and in Québec City (1998). The sponsorship component of these contracts was \$1.95 million. In April 1998, Groupaction became the communication agency for the salons. The sponsorship component of contracts issued to Groupaction was \$11.47 million.

The GOC obtained visibility in these events by way of on-site banners, signs and posters, presence of the Canada wordmark in printed advertising and a "Government of Canada" mention in radio advertising.

The sponsorship payments were made to Expour. In addition, the production budgets allocated to these events were mostly paid to Expour who was the promoter of most, but not all, events.

During the 1999-2000 year, two events were cancelled. Expour had already received 100% of the SPS funds, but no refund was made to PWGSC. Instead, Expour provided visibility in smaller regional shows and salons for at least one of the two cancelled events.

From the contracts related to the 2001-2002 salons, an amount of \$805,000 has not been paid by PWGSC.

In 2002-03, some of the salons had received confirmation of SPS funds, at amounts lower than any previous years. These confirmed SPS contracts were cancelled in July 2002 by Communication Canada and no funds were paid to Expour for these salons in 2002-03.

1.3 Magazines - \$5.44 million

This amount includes six events spanning the years 1997-98 to 1999-00. The stated purpose of these events was to provide visibility to the GOC in magazines edited, published or managed by Groupe Polygone. The visibility was obtained by way of advertising and articles in eleven different magazines and publications.

The sponsorship payments were made to Groupe Polygone. In addition, the production budgets allocated to these events were mostly paid to Groupe Polygone who was in charge of the editing, production and publication of the magazines.

Appendix I includes examples of advertising and articles published by Groupe Polygone and sponsored by the GOC.

1.4 Almanach du Peuple - \$2.90 million

This amount includes five events spanning the years 1997-98 to 2001-02. The stated purpose of these events was to provide visibility to the GOC in the *Almanach du Peuple*, an annual publication edited and produced by Groupe Polygone. The visibility was represented by over 100 pages in the almanac devoted exclusively to GOC visibility, including a listing of the federal ministers and party leaders, and other information related to the federal government.

The sponsorship payments were made to Groupe Polygone. In addition, the production budgets allocated to these events were mostly paid to Groupe Polygone who was in charge of the editing, production and publication of the almanac.

Appendix J includes example visibility sponsored by the GOC.

1.5 Journal de Montréal / de Québec - \$2.89 million

This amount relates to one event in 1998-99. This event was to provide visibility to the GOC in series of posters inserted and distributed in Journal de Montréal and Journal de Québec. A series of informational posters were issued for the World of Formula I, Birds of Canada and Mammals of Canada.

The sponsorship payments were made to Groupe Polygone. In addition, the production budgets allocated to these posters were mostly paid to Groupe Polygone who was in charge of the editing, production and publication of the posters.

Appendix K includes an example of the posters sponsored by the GOC.

1.6 Soirées de films de pêche - \$1.99 million

This amount includes three events spanning the years 1997-98 to 2000-01. The stated purpose of these contracts was to provide funding for gatherings in rural Québec and a few towns in New Brunswick where fishing and hunting movies were shown to a paying audience. The GOC obtained visibility in these events by way of on-site banners, signs and posters, presence of the Canada wordmark in printed advertising and a "Government of Canada" mention in radio advertising.

The sponsorship payments were made to Groupe Polygone. There was no budget allocated for production in these events, other than the amounts paid under the general "production and planning" contracts, as described in Section I.7 of this report.

1.7 Production and Planning - \$1.75 million

This amount includes two contracts spanning the years 1999-2000 and 2000-01. The stated purpose of this funding was to provide production monies to fund production related expenses such as the production of radio ads, banners and signs and other, for the other events associated with Groupe Polygone and Expour, as described in Sections I.2 - I.4 and Section I.6 of this report.

Of the \$1.75 million paid by PWGSC, Groupe Polygone received \$977,350 and Expour received \$430,150, for a total of \$1.4 million.

Section 5.3 of this report provides a detailed financial analysis of the funds received by Groupe Polygone and Expour, costs it incurred, and profits made resulting from SPS monies it received.

2.0

AMATEUR SPORT - \$ 42.07 MILLION

Our review of SPS contracts managed by agencies relating to Amateur Sport disclosed that, in summary contracts provided for payments as follows:

**Table 2: SPS Contracts Managed by Agencies - Amateur Sport
(\$ millions)**

Event	Media Purchases	Sponsorship	Agency Commission	Production	Total
Amateur Games	0.55	11.12	1.66	4.30	17.63
Jeux de la Francophonie	-	3.60	0.54	2.39	6.53
Skiing	-	3.18	0.46	1.33	4.97
Hockey	-	2.28	0.33	0.87	3.48
Horse Shows	-	1.40	0.20	0.70	2.30
Tennis	-	1.31	0.20	0.37	1.88
Auto Racing	-	1.10	0.16	0.52	1.78
Skating	-	0.97	0.14	0.04	1.15
Other	-	1.80	0.26	0.29	2.35
Total	<u>\$0.55</u>	<u>\$26.76</u>	<u>\$3.95</u>	<u>\$10.81</u>	<u>\$42.07</u>

Table 2a: SPS Contracts Managed by Agencies - Amateur Sport

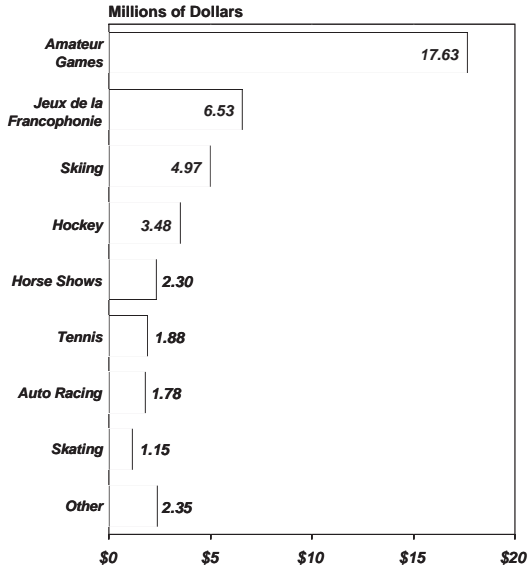
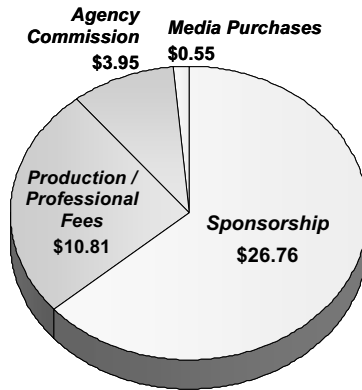


Table 2b: SPS Contracts Managed by Agencies - Amateur Sports



2.1 Amateur Games - \$17.63 million

The \$17.63 million of SPS funds noted above for the Amateur Games were funded from 210 contracts. Schedule 4 sets out the detail of the individual contracts.

We note that these events, which we have categorized as amateur sports, cover a wide range of sporting activities which took place in many communities across Canada. These events received SPS funds ranging from several thousand for small events to over a million dollars for other events.

For example in the 1999-00 fiscal year \$2.3 million was allocated to fund costs for the Pan Am Games, the Canada Games in Brandon, Manitoba was allocated funds totaling \$937,710, the Jeux de Québec was allocated \$1.2 million, and in the 1998-99 fiscal year the Canada Games in Cornerbrook was allocated \$1.53 million.

We note the Pan American Games were held in Winnipeg during July and August 1999. CCSB provided a sponsorship contract in a total amount of \$2.3 million for this event, managed by Compass Communication. This amount included \$634,000 in direct sponsorship to the Pan American Games and \$76,080 in related agency commission. The remaining portion of the budget (\$1.6 million) was represented by production costs associated with various activities including:

- a) Volunteer support program - providing shirts to all participating volunteers;
- b) Athlete bags - providing knapsacks to all participating athletes; and
- c) Canada Place Pavillion - a pavilion located at The Forks, the centerpiece of daily activities at the Pan American Games, with the stories of Canadians told using a variety of traditional and non-traditional exhibit media.

Schedule 4 provides the contract reference information of the other events we have included in this amateur sport category.

2.2 Jeux de la Francophonie - \$6.53 million

Our review of the SPS contracts relating to the Jeux de la Francophonie disclosed a total of ten PWGSC contracts for a total value of \$6.53 million. Schedule 4 sets out the detail of the individuals contracts. The Jeux de la Francophonie were held in Ottawa-Hull from July 14 to 24, 2001 and attended by approximately 2,300 athletes. A Memorandum of Agreement lists 33 different initiatives making up the visibility granted to the GOC for their sponsorship of the event in various ways throughout the Ottawa-Hull region.

Further support for the Jeux de la Francophonie and the World Athletic Games was contracted by the GOC through a PWGSC advertising contract with Compass in the amount of \$1.66 million.

3.0

PROFESSIONAL SPORT - \$ 39.36 MILLION

Our review of SPS contracts managed by agencies relating to professional sports teams disclosed that, in summary between 1996 and 2003, contracts provided for payments to professional sports events and teams as follows:

**Table 3: SPS Contracts Managed by Agencies - Professional Sport
(\$ millions)**

<u>Event</u>	<u>Sponsorship</u>	<u>Agency Commission</u>	<u>Production/ Professional Fees</u>	<u>Total</u>
Auto Racing	8.38	1.23	4.07	13.68
Hockey	6.03	0.88	3.57	10.48
Baseball	4.80	0.70	2.38	7.88
Football	3.55	0.53	1.02	5.10
Soccer	1.07	0.15	0.10	1.32
Other	<u>0.68</u>	<u>0.10</u>	<u>0.12</u>	<u>0.90</u>
Total	<u>\$24.51</u>	<u>\$3.59</u>	<u>\$11.26</u>	<u>\$39.36</u>

Table 3a: SPS Contracts Managed by Agencies - Professional Sport

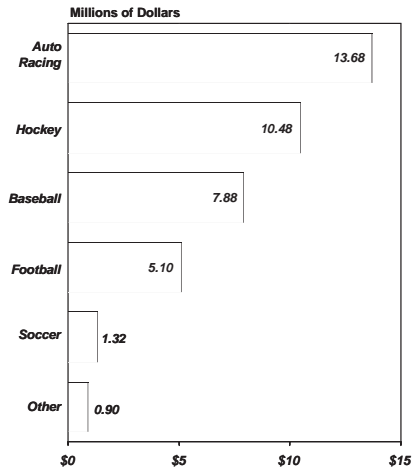
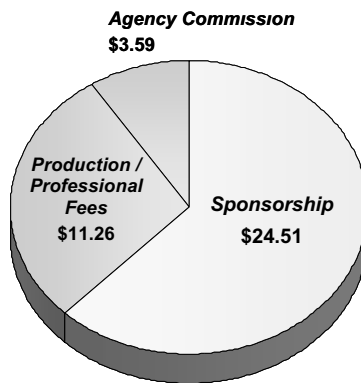


Table 3b: SPS Contracts Managed by Agencies - Professional Sports



3.1 Auto Racing - \$13.68 million

The particular events receiving the \$13.68 million included the following:

Table 4: SPS Contracts Managed by Agencies - Auto Racing (\$ millions)

Event	Sponsorship	Agency Commission	Production/ Professional Fees	Total
Grand Prix du Canada	3.69	0.55	1.17	5.41
Molson Indy - Toronto	1.55	0.22	0.82	2.59
Molson Indy - Vancouver	1.29	0.19	0.88	2.36
CASCAR	1.00	0.14	0.59	1.73
Grand Prix de Trois-Rivières	0.71	0.11	0.51	1.33
Other	<u>0.14</u>	<u>0.02</u>	<u>0.10</u>	<u>0.26</u>
Total	<u>\$8.38</u>	<u>\$1.23</u>	<u>\$4.07</u>	<u>\$13.68</u>

Table 4a: SPS Contracts Managed by Agencies - Auto Racing

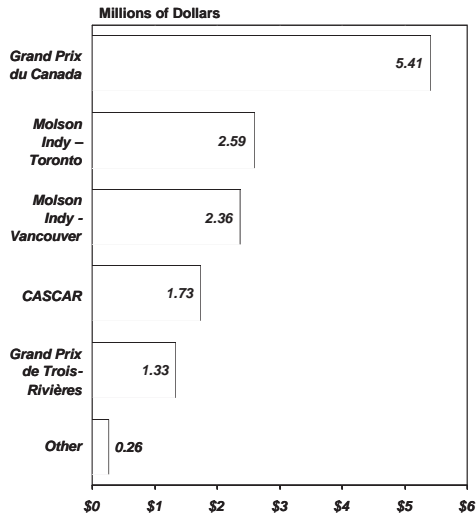
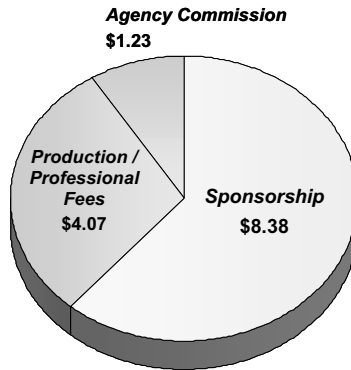


Table 4b: SPS Contracts Managed by Agencies - Auto Racing



3.2 Grand Prix du Canada - \$5.41 million

We note that the Grand Prix du Canada included 13 contracts for the annual racing event taking place in Montréal. Schedule 4 provides a listing of these contracts. Communication agencies involved with these events included Lafleur, Groupaction and Armada.

In return for the sponsorship funds, available documents and discussions with representatives of the Grand Prix du Canada indicate that the GOC obtained visibility by way of on-site banners and signs, incrustation of the wordmark on closed-circuit television, and advertising in the official race program. The RCMP was also present on the circuit in 1998, the year of their 125th anniversary, for a demonstration with their horses prior to the race.

3.3 Molson Indy - Toronto and Vancouver - \$4.95 million

We note that the Molson Indy included contracts for the annual racing events taking place in Toronto and Vancouver. Schedule 4 provides a listing of these contracts. Communication agencies involved with these events included Lafleur, Groupaction/Gosselin and Armada.

Similar to the Grand Prix du Canada, in return for the sponsorship funds the GOC obtained visibility by way of on-site banners and signs and advertising in the official race program.

3.4 Hockey - \$10.48 million

The professional sports teams and leagues receiving the \$10.48 million included the following:

**Table 5: SPS Contracts Managed by Agencies - Hockey
(\$ millions)**

Event	Sponsorship	Agency Commission	Production/ Professional Fees	Total
Montréal Canadiens	2.25	0.33	1.54	4.12
NHL	2.79	0.42	0.43	3.64
Ottawa Senators	0.77	0.10	1.06	1.93
Rafales de Québec	0.20	0.03	0.36	0.59
Other	<u>0.02</u>	-	<u>0.18</u>	<u>0.20</u>
Total	<u>\$6.03</u>	<u>\$0.88</u>	<u>\$3.57</u>	<u>\$10.48</u>

Table 5a: SPS Contracts Managed by Agencies - Hockey

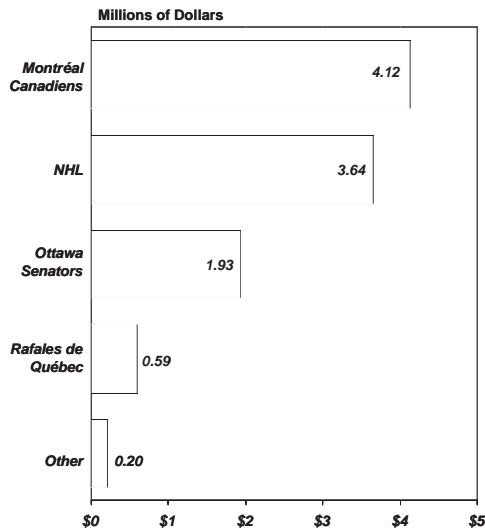
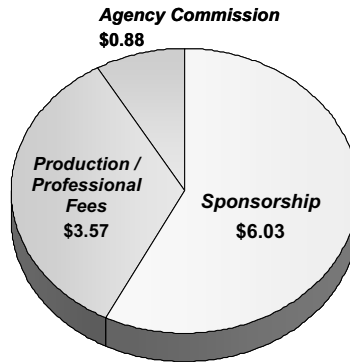


Table 5b: SPS Contracts Managed by Agencies - Hockey



3.5 Montréal Canadiens - \$4.12 million

The \$4.12 million noted above for the Montréal Canadiens was funded from eleven contracts. Schedule 4 provides a list of these contracts. As noted on Schedule 4, five of these contracts totaling \$2.8 million were with Lafleur Communication and covered fiscal years 1995-96 to 1998-99. Documents we reviewed indicate the visibility received by the GOC during 1997-98 included advertising in the *Journal de Montréal* and promotional items such as T-shirts.

3.6 NHL - \$3.64 million

The \$3.64 million noted above for the NHL was funded from seven contracts. Schedule 4 provides a listing of these contracts.

We note that three of these contracts, covering the 1999-2000, 2000-01 and 2001-02 NHL seasons provided sponsorship funds of \$900,000, \$905,000 and \$905,000, which were paid evenly to each of the six Canadian NHL teams.

Documents we reviewed for the 1999-2000 and 2000-01 contracts indicate that each of the six Canadian NHL teams provided visibility for the Canada wordmark. This visibility included a variety of exposures for the Canada wordmark in hockey arenas during the NHL season.

3.7 Baseball - \$7.88 million

The professional sports teams receiving the \$7.88 million included the following:

Table 6: SPS Contracts Managed by Agencies - Baseball (\$ millions)

<u>Event</u>	<u>Sponsorship</u>	<u>Agency Commission</u>	<u>Production/ Professional Fees</u>	<u>Total</u>
Montréal Expos	3.33	0.48	2.26	6.07
Toronto Blue Jays	1.20	0.18	0.04	1.42
Other	<u>0.28</u>	<u>0.03</u>	<u>0.08</u>	<u>0.39</u>
Total	<u>\$4.81</u>	<u>\$0.69</u>	<u>\$2.38</u>	<u>\$7.88</u>

Table 6a: SPS Contracts Managed by Agencies - Baseball

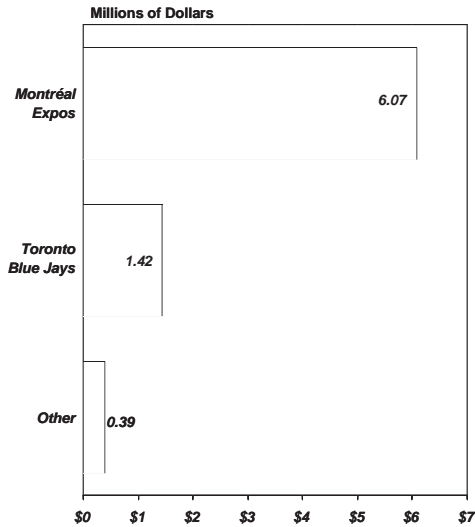
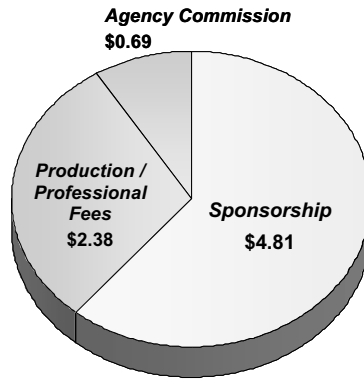


Table 6b: SPS Contracts Managed by Agencies - Baseball



The \$6.07 million of sponsorship funds noted above for the Montréal Expos was funded from 13 contracts. Schedule 4 provides a listing of these contracts.

3.8 Football - \$5.1 million

The professional sports teams and leagues receiving the \$5.1 million included the following:

Table 7: SPS Contracts Managed by Agencies - Football
(\$ millions)

<u>Event</u>	<u>Sponsorship</u>	<u>Agency Commission</u>	<u>Production/ Professional Fees</u>	<u>Total</u>
CFL	3.30	0.49	0.34	4.13
Montréal Allouettes	0.25	0.04	0.41	0.70
Ottawa Rough Riders	-	-	0.27	0.27
Total	<u>\$3.55</u>	<u>\$0.53</u>	<u>\$1.02</u>	<u>\$5.10</u>

Table 7a: SPS Contracts Managed by Agencies - Football

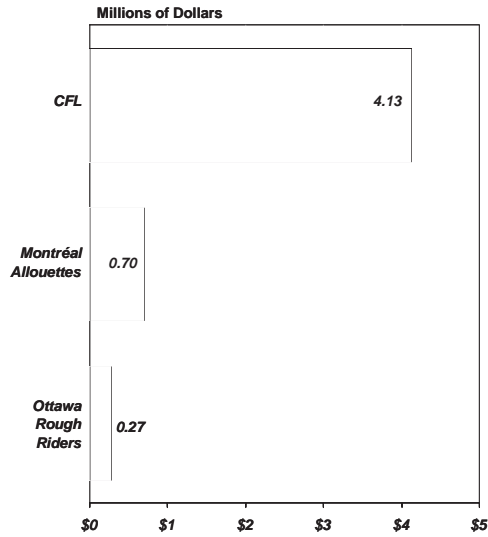
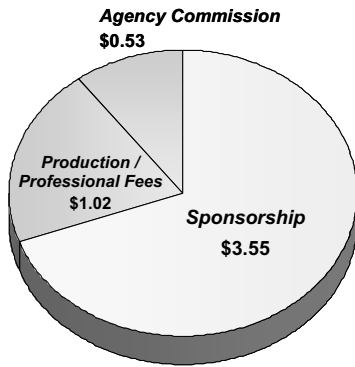


Table 7b: SPS Contracts Managed by Agencies - Football



3.9 CFL - \$4.13 million

The \$4.13 million of sponsorship funds noted above for the CFL were funded from I2 contracts. Schedule 4 sets out the detail of the individual contracts.

We note that three of these contracts, covering the 1999, 2000 and 2001 seasons, provided sponsorship funds of \$950,000 each year, a total of \$2.85 million, for the Canada wordmark exposure as follows:

- regular season: helmet stickers on all teams; and
- playoffs: helmet stickers, two on field colour templates, four sideline signs.

4.0 ADVERTISING

Included in amounts to be paid from the SPS budgets were amounts contracted for advertising totaling \$29.18 million. This work was undertaken by I3 different agencies and related to wide variety of projects.

**Table 8: SPS Contracts Managed by Agencies - Advertising
(\$ millions)**

Event	Media Placement	Sponsorship	Agency Commissions	Production/ Professional Fees	Total
1995-1996 Advertising	6.17	0.03	1.09	3.63	10.92
Nagano Olympics	4.20	-	-	1.75	5.95
Budget 1999	3.40	-	0.60	0.35	4.35
Community Information Newspaper Program	2.32	-	0.41	0.87	3.60
Revue FORCE	-	0.70	0.11	0.06	0.87
Ice Storm 1998	0.08	-	0.01	0.03	0.12
Other	1.05	1.51	0.31	0.50	3.37
Total	<u>\$17.22</u>	<u>\$2.24</u>	<u>\$2.53</u>	<u>\$7.19</u>	<u>\$29.18</u>

Table 8a: SPS Contracts Managed by Agencies - Advertising

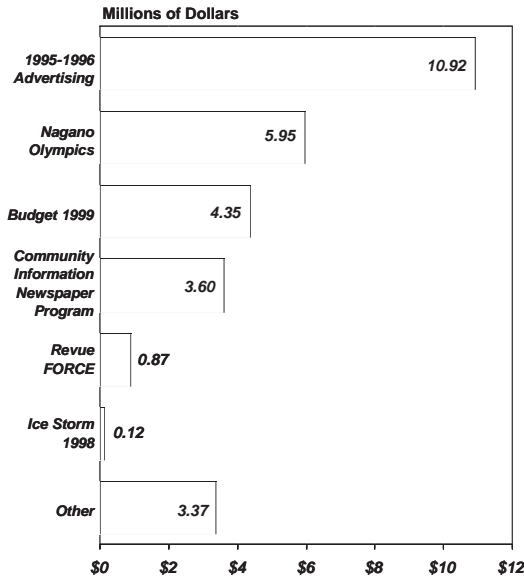
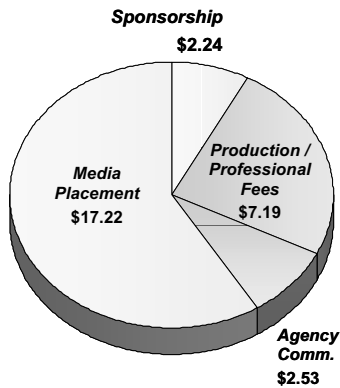


Table 8b: Advertising Contracts by Event Managed by Agencies



4.1 1995-1996 Advertising - \$10.92 million

This group comprises 17 contracts with six agencies. There is little information available in the files of PWGSC related to these contracts beyond the information contained in the contracts themselves. These contracts covered the purchase of outdoor media to promote GOC programs, print advertising campaigns, the production and coordination of messages for advertising campaigns and the purchase of media time and space.

4.2 Nagano Olympics - \$5.95 million

Groupaction was retained as the advertising agency responsible for the creation, execution and placement of television vignettes on behalf of the GOC. The contracted production budget was \$1.75 million. The vignettes were to feature various aspects of the build-up to Nagano. CBC/SRC the host broadcaster for the Olympics was a partner in the venture. The media placement budget was \$4.2 million. The objective of the initiative was to raise awareness of Canadian Olympic and Paralympic teams and increase viewership of the games.

4.3 Budget 1999 - \$4.35 million

Vickers and Benson received a \$350,000 contract to prepare and distribute GOC advertising related to the 1999 Budget. The media placement cost totaling \$4.0 million was contracted to Média/I.D.A. Vision.

4.4 Community Information Newspaper Program - \$3.60 million

This was a series of three ads placed in local newspapers during 1998-99. The production work associated with the program, totaling \$865,574 was contracted to Groupaction through four contracts set out on Schedule 4.

The Community Information program ads related to three initiatives, Youth and Learning, Health Lifestyles and the Year 2000. Ads promoting these three initiatives were placed in local and regional papers across the country and referred the reader to the 1-800-O-Canada telephone number.

Human Resources Development Canada transferred \$1.3 million to PWGSC to cover the cost of the first ad. Funding for the second ad totaling \$1.0 million was transferred to PWGSC by Health Canada. The third ad was funded by a transfer of \$1.4 million from Industry Canada.

5.0

ATTRACTIONS CANADA - \$25.61 MILLION

A PWGSC Briefing note dated April 9, 2002 sets out the purpose of the Attractions Canada initiative.

" Put in place in April 1997, Attractions Canada is an information program intended to raise awareness of places of interest in the country (natural parks, historic sites, cultural events, etc.) Activities of the Attractions Canada program fit into the types of activities of the Sponsorship Program.

" Attractions Canada" is a registered trademark, property of the Government of Canada through the CIO (Canada Information Office) (#0909219 of February 19, 1997)."

Further as noted in a Canada Information Office document dated June 1997.

"The CIO was announced on July 9, 1996 by the Prime Minister of Canada and reports to the Minister of Canadian Heritage with close ties to the Minister of Intergovernmental Affairs. It is important to note that the CIO is neither a department nor a central agency but a hybrid designed to deliver on its unique mandate which is different although complementary to that of other federal organizations.

The CIO is headed by an Executive Director, Roger Collet, who is a Governor-in-Council appointee. ...

The CIO was created with a mandate to:

inform Canadians about our country, each other, the modernization of the federation and the role of the Government of Canada in meeting the needs of Canadians through the delivery of programs and services."

Attractions Canada used various media and events to promote Canada including a dedicated website, radio, print, billboards and television advertisements, galas, promotional items, contests, and the sponsorship of various events.

Attached as Schedule 4 is a listing of 13 SPS contracts issued in relation to the Attractions Canada initiative. In fiscal 2002-03 an additional \$2.25 million was spent on Attractions Canada advertising funded from the CIO advertising budget.

This was a multi-year program which spent at least \$8.1 million between 1997 and 2001 on media placements promoting "places of interest" across Canada. A further \$12.3 million was paid for production costs which are summarized in the Table below.

Table 9: Attractions Canada - Breakdown of Production Costs¹
(\$000's)

Description	Internal Costs ²			Total Internal Costs	Total External Costs	Total Costs
	Professional Fees	Agency Commission	Production Costs			
Media related production	\$383.5	\$334.5	\$554.9	\$1,273.0	\$1,413.9	\$2,686.8
Fixed Fee – "Structure Permanente"	1,150.0	-	-	1,150.0	-	1,150.0
Galas	303.2	36.7	95.2	435.1	318.1	753.3
Website	0.4	62.3	258.8	321.5	137.3	458.8
Serdy Video – "Le Gout de Chez Nous"	60.2	141.2	-	201.4	800.0	1,001.4
Millenium Events	197.4	-	-	197.4	-	197.4
Contests	105.5	38.0	2.1	145.6	360.9	506.5
Promotional items	0.2	31.8	18.2	50.2	162.2	212.4
Logo	44.2	0.2	1.2	45.5	-	45.5
Other invoices	<u>1,170.8</u>	<u>218.4</u>	<u>950.7</u>	<u>2,339.9</u>	<u>2,979.1</u>	<u>5,319.0</u>
Total	<u>\$3,415.3</u>	<u>\$863.2</u>	<u>\$1,881.1</u>	<u>\$6,159.6</u>	<u>\$6,171.5</u>	<u>\$12,331.2</u>

¹ Source: Groupe Everest Companies' and supplier invoices where available.

² Costs billed by or subcontracted to one of the Groupe Everest Companies and there was no third party subcontractor invoice noted.

6.0

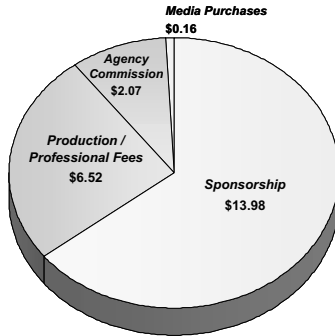
FAIRS, FESTIVALS AND CELEBRATIONS - \$22.79 MILLION

Our review of SPS contracts managed by agencies relating to Fairs, Festivals and Celebrations disclosed that, in summary contracts provided for payments as follows:

Table 10: SPS Contracts Managed by Agencies - Fairs, Festivals and Celebrations (\$ millions)

<u>Event</u>	<u>Media Purchases</u>	<u>Sponsorship</u>	<u>Agency Commission</u>	<u>Production/ Professional Fees</u>	<u>Total</u>
Fairs, Festivals & Celebrations					
Total	<u>\$0.16</u>	<u>\$13.98</u>	<u>\$2.07</u>	<u>\$6.54</u>	<u>\$22.75</u>

Table 10a: SPS Contracts Managed by Agencies - Fairs, Festivals and Celebrations



Like amateur sport, we note that the 1,110 events which we have categorized as Fairs, Festivals and Celebrations are a wide range of activities and events which took place in many communities across Canada. The GOC monies provided to these events ranged from relatively small amounts to hundreds of thousands for some events.

For the funds provided to the events, the GOC was to receive a variety of Canada wordmark exposure.

7.0

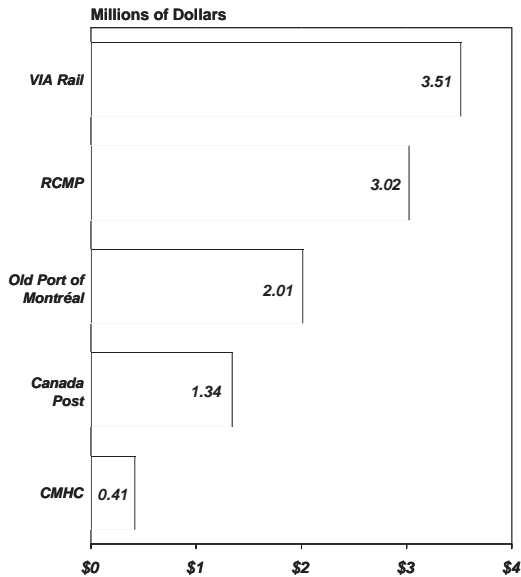
CROWN CORPORATIONS AND AGENCIES - \$10.29 MILLION

Our review of SPS contracts managed by agencies relating to Crown Corporations and Agencies disclosed that, in summary, between 1994 and 2003 payments were made to Crown Corporations as follows:

**Table 11: SPS Contracts Managed by Agencies -
Crown Corporations and Agencies
(\$ millions)**

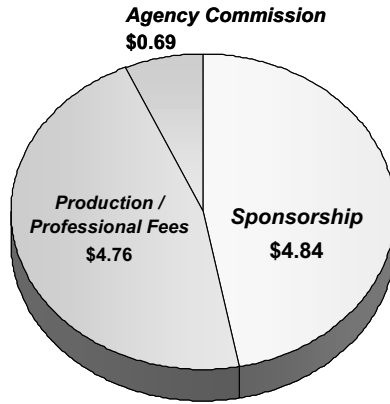
Event	Sponsorship	Agency Commission	Production/ Professional Fees	Total
VIA Rail	0.81	0.11	2.59	3.51
RCMP	1.70	0.24	1.08	3.02
Old Port of Montréal	1.50	0.23	0.28	2.01
Canada Post	0.83	0.11	0.41	1.34
CMHC	-	-	0.41	0.41
Total	<u>\$4.84</u>	<u>\$0.69</u>	<u>\$4.76</u>	<u>\$10.29</u>

**Table 11a: SPS Contracts Managed by Agencies -
Crown Corporations and Agencies**



The funds received by Via Rail primarily related to visibility in Via Magazine and other on-board promotions. In 2000, when the magazine was cancelled, \$174,000 was used for Via Rail signs. The funds received by the RCMP were primarily for the RCMP's 125th Anniversary celebrations at RCMP headquarters and Québec Divisions.

Table 11b: SPS Contracts Managed by Agencies - Crown Corporations



Schedule 4 provides a listing of these contracts for each of the above noted Crown Corporations.

8.0

PROMOTIONAL ITEMS - \$9.29 MILLION

Our review of the SPS contracts relating to promotional items disclosed a total of 18 contracts with a total contract value of \$9.29 million.

Under the promotional item contracts, various items, usually with a Canada wordmark, were purchased by the communication agencies on behalf of PWGSC. Articles purchased include shirts, watches, flag boxes, money clips, umbrellas, and golf balls. These items were not necessarily purchased based on a specified need, but rather as an inventory for future use for sponsorship events and other events.

9.0

CHINA SERIES - \$8.85 MILLION

Our review of the SPS contracts relating to the China Series - Canada Coast to Coast - disclosed a total of five PWGSC contracts beginning in July 1996 and ending in April 1999 for a total contract value of \$8.85 million. In addition, our review disclosed seven other contracts funded by other GOC departments with contract values of \$850,000 and one agreement funded by Aerospace Training Canada International totaling \$0.28 million.

Exhibit P-415 page 2 provides further details of these contracts and shows the total dollar value of the known contracts for the China Series to be \$9.98 million.

The China Series encompassed 26 one-half hour episodes to be broadcast multiple times on China Central Television (CCTV). The programs used a cross-Canada trip as a backdrop to teach English to a Chinese audience, estimated to be more than 60 million viewers. The Canadian sites featured Canadian technology, infrastructure and culture. The host of each episode was Mr. Mark Rosewell, known in China as "Dashan," a star of Chinese television. The series was supported by one million copies of a companion English language booklet.

10.0

SERVICES TO PWGSC - \$3.2 MILLION

Included in this category are contracts which appeared to be related to agencies undertaking work that was not directly related to an event. Schedule 4 to this report provides details of the contracts in each of the groups.

10.1 Strategic Planning - \$1.85 million

This group comprises 21 contracts issued to 15 different agencies between 1994-95 and 2000-01. It includes consultation in connection with the restructuring of APORS, advertising concept development, evaluation of the effectiveness of advertising programs and strategic plans in relation to visibility.

10.2 Agency Selection - \$590,000

Between 1994-95 and 1996-97 eleven contracts were issued in relation to the agency selection process including contracts issued to industry experts who were part of the selection panel and amounts paid for media purchases in relation to advertising competitions.

Table 12 summarizes the SPS contracts for service to PWGSC.

Table 12: SPS Contracts Managed by Agencies - Services to PWGSC (\$ millions)

<u>Event</u>	<u>Sponsorship</u>	<u>Agency Commission</u>	<u>Production/ Professional Fees</u>	<u>Total</u>
Strategic Planning	-	-	1.85	1.85
Agency Selection	0.21	0.04	0.34	0.59
Design of Logo	-	-	0.36	0.36
CIO Website	-	-	0.30	0.30
Other	-	-	0.10	0.10
Total	<u>\$0.21</u>	<u>\$0.04</u>	<u>\$2.95</u>	<u>\$3.20</u>

Table 12a: SPS Contracts Managed by Agencies - Services to PWGSC

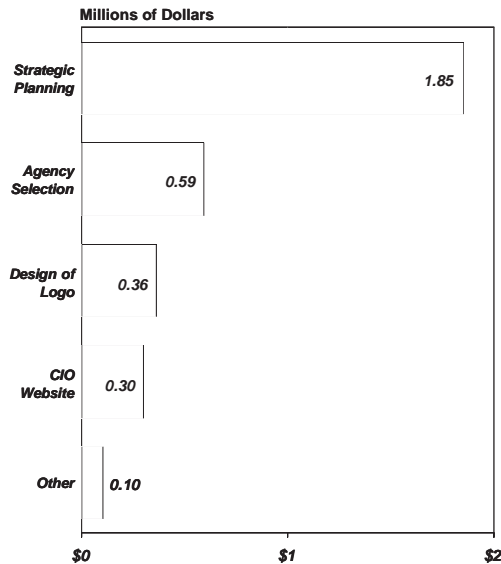
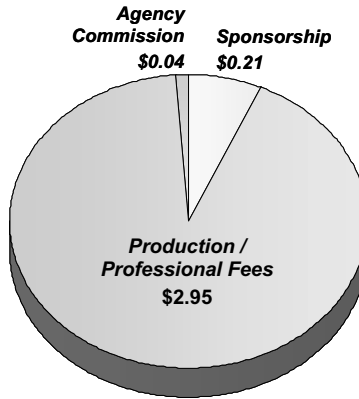


Table 12b - SPS Contracts Managed by Agencies - Services to PWGSC



II.O

PUBLIC OPINION RESEARCH - \$2.13 MILLION

The GOC entered into 63 SPS contracts between 1994-95 and 1998-99 for the production of syndicated studies and public opinion research. A listing of the individual contracts is set in Schedule 4.

The contracts were issued to 17 different communication agencies including those listed in Table I3:

Table 13: SPS Contracts Managed by Agencies - Public Opinion Research

	Total Contracts (000s)
Angus Reid	\$954.6
Enviroics	249.1
Crop	246.1
Infras	173.0
Other	<u>499.5</u>
Total	<u>\$2,122.8</u>

Table 13a: SPS Contracts Managed by Agencies - Public Opinion Research

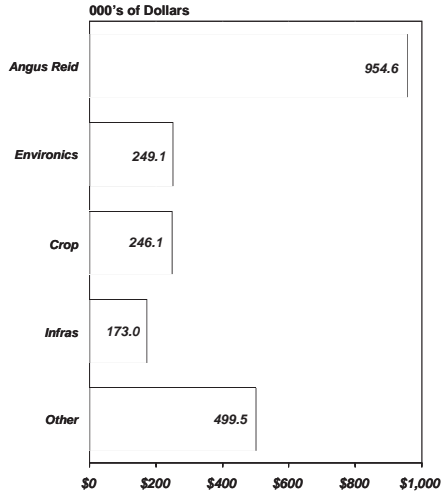


Table 13b: SPS Contracts Managed by Agencies - Public Opinion Research (\$000's)

