

CHAPTER I

INTRODUCTION

I.1

Appointment of the Commissioner/Terms of Reference

On February 10, 2004, a Report prepared by the Auditor General of Canada was deposited in the House of Commons, thereby becoming public.¹ The Prime Minister of Canada immediately announced that the Government of Canada intended to appoint me, in accordance with the *Inquiries Act*,² to act as a commissioner to conduct an inquiry into the questions raised by Chapters 3 and 4 of the Report.³

Section 2 of the *Inquiries Act* authorizes the Governor in Council, that is to say the Privy Council or Cabinet, whenever it deems it expedient, to “cause an inquiry to be made into and concerning any matter connected with the good government of Canada or the conduct of any part of the public business thereof.” In accordance with that provision, a Privy Council decision⁴ was approved on February 19, 2004, confirming my appointment as Commissioner, defining my duties and authorizing me to adopt procedures,

engage personnel and generally to conduct an independent but fair public inquiry, respecting the rights of interested and affected parties. This decision, a copy of which is attached to this Report as Appendix A, is usually referred to as the Terms of Reference of the Commission.

Specifically, the Terms of Reference direct me

...to investigate and report on questions raised, directly or indirectly, by Chapters 3 and 4 of the November 2003 Report of the Auditor General of Canada to the House of Commons with regard to the sponsorship program and advertising activities of the Government of Canada, including

- (i) the creation of the sponsorship program,
- (ii) the selection of communications and advertising agencies,
- (iii) the management of the sponsorship program and advertising activities by government officials at all levels,
- (iv) the receipt and use of any funds or commissions disbursed in connection with the sponsorship program and advertising activities by any person or organization, and
- (v) any other circumstance directly related to the sponsorship program and advertising activities that the Commissioner considers relevant to fulfilling his mandate...

The Terms of Reference then go on to instruct me to make recommendations, based on the factual findings made according to the preceding paragraphs, to prevent mismanagement of sponsorship programs or advertising activities in the future, taking into account certain initiatives which were adopted by Cabinet and announced concurrently with the announcement concerning the appointment of the present Commission. Those initiatives and my recommendations will be the subject of a second report; the present Report will restrict itself to reporting on my factual findings made with reference to what is cited above in my Terms of Reference.

It should be noted immediately that the Terms of Reference do *not* instruct me to make any inquiry into the Government policies or political decisions

which led to the creation of the Sponsorship Program, or which might have motivated the advertising activities of the Government of Canada. Accordingly, I am not entitled and do not intend to express opinions with respect to the wisdom or appropriateness of those political decisions. Although I was invited to offer my opinions on such subjects by the submissions of certain parties, I decline to do so since I do not consider that they fall within the scope of my mandate. My mandate, like the mandate of the Auditor General, is restricted to examining the implementation of the political decisions that led to the creation of the Sponsorship Program and the implementation of political decisions concerning its advertising activities, not the political decisions themselves.

However, it may be necessary for me on occasion to make reference to the political decisions and policies which led to the creation and which guided the management of the Sponsorship Program, to enable a fuller understanding of the reasons for any errors or mismanagement that might have occurred. Such references should not be interpreted by the reader as an indication that the Commission is questioning the wisdom of those decisions and policies, an area which is not within its jurisdiction.

Although this Report is limited to the making of factual findings, it will be necessary on occasion to clarify certain legal issues, such as the definition of the word “program” as it is used in federal legislation, or the concept of ministerial responsibility. These legal issues are dealt with only to assist the reader to understand what is being said, and to explain some of the factual conclusions. I am not rendering a legal judgment or opinion in these matters.

I.2

The Report of the Auditor General (November 2003)

The Report of the Auditor General of Canada was completed in November 2003 and delivered to the Speaker of the House of Commons; but, since Parliament was not at that time in session, and since the Auditor General of Canada reports directly to the House of Commons and not to the government of the day, the Report became public only when the next session of Parliament

commenced, on February 10, 2004. Chapter 3 of the Report deals with the Sponsorship Program during the period from 1997 until August 31, 2001, and Chapter 4 deals with advertising activities of the Government of Canada during that same period. These two chapters are attached to this Report as Appendix B.

The Auditor General's Report, which constitutes a severe criticism of the way that the federal government ran the Sponsorship Program, and which comments disapprovingly on certain government management practices in the field of advertising, will be the subject of Chapter II of this Report.

1.3

The Public Hearings

The initial organization of the Commission required the engagement of counsel, securing of premises, the hiring of personnel and experts, and the initial organization and examination of masses of documentation. On May 7, 2004, I made a public opening statement, and in it I announced the procedure that would be followed in the Commission's inquiry and the principles that would guide its public hearings and the administration of the evidence to be presented. A copy of the opening statement is attached to this Report as Appendix C. I will not repeat here what was said at that time, but I report with some pride that the intentions which were then announced have been, in my view, substantially realized. The hearings have been conducted respecting those principles which the Commission undertook to follow, namely, independence, fairness, thoroughness, expedition and efficiency.

Public hearings took place commencing in Ottawa on September 7, 2004, for approximately six months and continuing in Montreal until June 17, 2005. One hundred seventy-two witnesses were heard, some of them for several days and some on more than one occasion, over a total of 136 hearing days. A list of witnesses who testified is attached as Appendix D.

Ordinarily the deliberations of Cabinet are secret and privileged, but the Government of Canada agreed to waive this privilege by two Orders in Council⁵ which permitted a full inquiry to be made of the question of how certain decisions were reached when the Sponsorship Program was first conceived.

Twenty-five participants were granted standing and attorneys representing them were in attendance at the hearings at various stages, some throughout the hearings and some only occasionally. A list of the participants who were granted standing and the attorneys who represented them is attached as Appendix E.

A vast quantity of documentary evidence was put into evidence and forms part of the record of the Commission. A list of the exhibits, many of which are books of documents, is attached as Appendix F. As Commissioner, I have systematically avoided taking cognizance of any document or evidence which has not been produced into the record at the public hearings, although I am conscious that Commission counsel have had access to many documents that I have not seen and have had meetings and discussions with witnesses and other persons on matters that are not part of the evidence that I have heard. Commission counsel have respected my expressed wishes that any information acquired in this fashion should not be communicated to me. This Report has been written solely on the basis of the evidence in the public record.

Notices in accordance with section 13 of the *Inquiries Act*⁶ were duly sent to the persons who might be the subject of findings of misconduct or unfavourable comments in this Report, to give them an opportunity to be heard. During the last week of the public hearings, closing submissions were made by counsel representing interested parties and intervenors. Most of them filed detailed written submissions, which have been useful in the preparation of the present Report. Other persons filed written submissions but chose not to make oral submissions. Whether oral or written, all submissions have been taken into consideration in preparing the present Report.

I.4

Incidental Proceedings and Rulings

Prior to and in the course of the public hearings, ten incidental rulings were made, orally or in writing, copies of which are attached as Appendix G. They may be briefly described as follows:

1. On July 5, 2004, I decided which parties would be granted full standing before the Commission, and which would be granted intervenor status only, giving reasons for my decision in each case.
2. On July 19, 2004, a ruling decided which parties would be recommended for government funding of their counsels' fees. Supplementary rulings on funding were subsequently made on October 26, 2004, April 4, 2005 and April 6, 2005.
3. On October 28, 2004, giving reasons, I dismissed an application presented on behalf of Mr. Joseph Charles Guité, who sought an order that his testimony be heard *in camera*,⁷ be the subject of a publication ban, or be postponed to a later date – until after his pending criminal trial.
4. On November 22, 2004, after hearing lengthy representations on the subject, I maintained an objection made on behalf of Mr. Guité, giving detailed reasons for any decision, and ruled that he could not be cross-examined with respect to allegedly contradictory declarations he had made in his testimony before the Public Accounts Committee of the House of Commons.⁸ This decision was the subject of an application for judicial review presented before the Federal Court of Canada on behalf of Mr. Alfonso Gagliano, which was dismissed by Madam Justice Danielle Tremblay-Lamer on April 27, 2005.⁹
5. On February 1, 2005, I dismissed an application seeking my recusal presented on behalf of the Right Honourable Jean Chrétien. This decision was the object of an application by Mr. Chrétien for judicial review, which was contested by the Attorney General of Canada.¹⁰ The Commission was allowed to intervene to a limited extent. The application was scheduled to be heard by the Federal Court on June 7, 2005, but on May 30, Mr. Chrétien discontinued his proceeding. The Commission requested the Court to set aside the discontinuance and to reschedule the hearing, but its motion was dismissed.¹¹

6. On March 29, 2005, giving reasons, I maintained in part three applications presented by Messrs. Jean S. Brault, Paul Coffin and Joseph Charles Guité for a publication ban with respect to their forthcoming testimony on the grounds that publication of some parts of their depositions might prejudice their right to a fair trial on pending criminal charges against them. After completion of the testimony of each witness, I varied my initial ruling and partially lifted the publication ban.
7. On April 13, 2005, I dismissed a request presented by counsel for Malcolm Media Inc. and Mr. Luc Lemay seeking an order to keep confidential certain documents containing financial information about them.
8. On May 20, 2005, I dismissed an application made on behalf of Mr. Alfonso Gagliano which sought to produce into the record of the Commission a transcript of the evidence of Mr. Guité before the Public Accounts Committee.
9. On June 2, 2005, I heard a motion presented on behalf of the Right Honourable Jean Chrétien seeking two orders: that Commission counsel be required to make public submissions with respect to the factual findings which could be supported on the evidentiary record at the end of Phase I of the hearings; and that Commission counsel be required not to provide advice to the Commissioner other than in public, in respect of the present Report. Counsel for Jean Pelletier, Alfonso Gagliano and Ranald Quail all supported the conclusions of the motion. Counsel for the Attorney General of Canada made submissions, but neither supported nor opposed the motion. Counsel for the Commission opposed the motion. For brief reasons given orally, the motion was dismissed.
10. During the hearings, I heard motions presented by two participants who, having received notices in accordance with section 13 of the *Inquiries Act*, requested particulars with respect to the notices. These motions, which were heard and decided *in camera* to protect the confidentiality of the notices and the identity of the persons concerned, were dismissed.

1.5

Scope of the Present Report

It should be emphasized that in accordance with the Terms of Reference of February 19, 2004, the primary purpose of the present Report is to make factual findings concerning the Sponsorship Program and advertising activities of the Government of Canada. However, paragraph (k) of the Terms of Reference specifically directs me to perform my duties “without expressing any conclusion or recommendation regarding the civil or criminal liability of any person or organization,” and I am further instructed by that paragraph “to ensure that the conduct of the Inquiry does not jeopardize any ongoing criminal investigation or criminal proceedings.” To satisfy these restrictions, the Commission avoided presenting or referring to evidence which is or has been the subject of three criminal prosecutions initiated by the Attorney General of Quebec against Messrs. Jean S. Brault, Joseph Charles Guité and Paul Coffin, who are alleged to have committed certain criminal acts in relation to the Sponsorship Program. In my opinion these restrictions have not unduly limited the thoroughness and efficiency of the work of the Commission.

With respect to the injunction not to express any conclusion or recommendation regarding the civil or criminal liability of any person or organization, I am taking particular care in this Report to avoid such expressions. **The reader should not interpret anything said in the Report as an indication that I have come to any conclusions or opinions on the subject of the possible civil or criminal liability of anyone.**

One has to be conscious that the rules of evidence and the procedure followed at a commission of inquiry are very different from those of a court. The findings of fact that I have reached may not necessarily be the same as those which would be reached in a court. There are no legal consequences attached to my determinations as a commissioner. My Report is not a judgment, and my findings are not enforceable and would not bind courts called upon to consider the same subject matter. My findings are simply findings of fact and statements of opinion that I have reached at the end of this Inquiry and which are supported by evidence in the record of the Inquiry.

My first duty is, therefore, to describe what happened. This obliges me to resolve conflicts in the evidence. There are many such conflicts, and I intend to express my conclusions as to which evidence I accept and which I do not. Indeed, the Report would be incomplete if I did not do so. More importantly, coming to conclusions on the evidence is necessary to fulfill my mandate. The Report would be of little value to the citizens of Canada or its government if it did not include findings as to the causes of any mismanagement or misconduct that might have occurred. The recommendations that I am called upon to make in the second Report will be based upon what I consider to be the reasons for the mismanagement revealed by the present Report; coming to conclusions as to what those reasons were, and identifying any persons who failed to fulfill their responsibilities, are essential parts of this Report. The legal consequences of any mismanagement or misconduct will, however, be left to another forum.

Just as it is important to identify persons who failed to fulfill their responsibilities or who might have been guilty of misconduct, it is equally important in this Report to identify persons who, on the basis of the evidence, are innocent of any misconduct or mismanagement. Such persons who, in the publicity surrounding the Commission or elsewhere, might have been accused or suspected of improprieties, are entitled to have any blemishes to their reputations explained or removed.

As an initial finding, which will be expanded upon in the pages that follow, it became apparent to me throughout the hearings that, with virtually no exceptions, the conclusions of the Auditor General of Canada, expressed in Chapters 3 and 4 of her 2003 Report to Parliament, have been confirmed. With only one exception of a purely technical nature, relating to the purchase of horses by the RCMP, no one has seriously suggested to me that any of her conclusions were unfounded.

What the Commission has been able to do, which the Auditor General could not do since her jurisdiction is limited to an audit of the institutions of the Government itself, was to compel the giving of evidence under oath and the production of documents, as well as to push its inquiry beyond the boundaries

of government administration and investigate the receipt and use of funds and commissions disbursed in connection with the Sponsorship Program. This has led us to investigate the actions and conduct of communication agencies, which were purportedly acting on behalf of the Government of Canada to administer sponsorship projects and to supervise the promoters of events and activities sponsored by the Government of Canada. The Commission also looked into the commissions and fees charged by the agencies for their services. The use or misuse by certain communication agencies of funds derived from the Sponsorship Program, and the improper involvement of those agencies in the financing of the Liberal Party of Canada where that occurred, have also been investigated.

To recapitulate, the present Report intends to describe the actions of the persons and organizations at every level within the administration of the Government that might be blamed for mismanagement of public funds, or other misconduct. It will also report on the actions of persons and organizations outside the Government who might have unfairly or improperly taken advantage of such mismanagement and misconduct.

The Report will also examine the question of ministerial responsibility in an attempt to determine to what extent, if any, Ministers of the Crown might be held to be responsible for administrative improprieties, for their actions, for the absence of oversight, or for other omissions or inaction.

One of the main purposes of a public inquiry is to enable concerned citizens to learn firsthand what occurred when allegations of the improper use of public funds have been made. By following the public hearings they are able to arrive at informed opinions as to who might be held responsible for any errors or mismanagement that might have occurred affecting what the *Inquiries Act* calls “the good government of Canada.” The first role of the Commissioner is to conduct hearings that serve to facilitate the understanding of the public, while ensuring at the same time that the presentation of the evidence is done fairly and dispassionately, to avoid premature or unfounded conclusions from being reached which risk damaging the reputations of persons innocent of any wrongdoing, impropriety or negligence.

I now embark upon my second role, which is to summarize the evidence and to attempt to make sense of what often appears to be a confused and confusing jumble of facts and documentation. Without forgetting the advertising activities of the Government, which will be dealt with later, let me start by providing an overview of the Sponsorship Program, which was the subject of the greatest proportion of the evidence presented to the Commission. Much of what is said in this preliminary section will be repeated in greater detail in the chapters that follow.

1.6

A Short History of the Sponsorship Program

What later became known as the Sponsorship Program had its beginnings in the fiscal year 1994-95, when the advertising section of the Department of Public Works and Government Services Canada (PWGSC), managed by Mr. Joseph Charles Guité, disbursed about \$2 million from its normal operating budget for what were described as “special programs,” such as the subsidization of heavily publicized automobile races, in exchange for the prominent display of advertisements for various federal government departments and agencies. This kind of activity was repeated in 1995-96, when nearly \$22 million was disbursed by PWGSC for advertising rights at similar events and for expenses related to the promotion of national unity. At this time, the objective was to give publicity to certain government programs such as the campaign against the use of tobacco, in addition to an intention to advertise the federal programs and presence in general.¹²

Following the very close result of the referendum in Quebec on October 30, 1995, the Government of Canada, at a special meeting of Cabinet held on February 1 and 2, 1996, decided that it should, among other measures taken to counteract the sovereignty movement in Quebec, take steps to make the federal presence more visible, in Canada generally but particularly in Quebec. This would take the form of advertising and displays at community, cultural and sporting events. The advertising service of PWGSC was assigned this task.¹³ Because Mr. Guité was accustomed to using the services of advertising agencies to assist the Government in its advertising activities, and because

his section did not have sufficient personnel possessing the necessary training and experience to look after what proved to be an extensive program, he chose to contract with advertising and communication agencies that were asked to manage and administer the sponsorships to which the Government of Canada had agreed.¹⁴ In effect, the advertising and communication agencies were engaged to act on behalf of the Government of Canada to organize and manage these sponsorships and to see to it that the Government received the publicity and visibility for which it was paying. In exchange for their services, these agencies would receive remuneration in the form of commissions and fees paid for what were referred to as production costs.¹⁵

At the time the decision was made to embark upon this program, the Minister of PWGSC was the Honourable Diane Marleau. She was only marginally involved in the creation of the Sponsorship Program, which was directed in its initial stages, at the request of the Prime Minister, by Mr. Jean Pelletier, his Chief of Staff,¹⁶ with the assistance of the Privy Council Office. All of this was done in collaboration with Mr. Guité. When the Honourable Alfonso Gagliano replaced Ms. Marleau as Minister of PWGSC in June 1997, he took a much more active role in the direction of the Sponsorship Program, gradually replacing Mr. Pelletier's supervision of the work of Mr. Guité.¹⁷

In August 1999, Mr. Guité retired from the public service. He was replaced as head of the Communication Coordination Services Branch (CCSB), which was the name of the section within PWGSC that handled sponsorships and advertising, by Mr. Pierre Tremblay. Until his transfer to the public service a few months earlier, Mr. Tremblay had been the Executive Assistant of Mr. Gagliano, that is to say the political and administrative head of the Minister's office.¹⁸

At or about this time, Daniel Leblanc of the *Globe and Mail* was making his first requests for information about the Sponsorship Program in accordance with the *Access to Information Act*.¹⁹ The first request was made in September 1999,²⁰ and further requests were being processed during the early months of 2000,²¹ eventually leading to a series of newspaper articles which made the problems affecting the Program a matter of public discussion.²²

In the meantime, in or about February 2000, because of a scandal that had erupted concerning major administrative problems that arose in the Department of Human Resources Development, it was decided by Mr. Gagliano or by Deputy Minister Ranald Quail (the question of who made the decision is a matter of controversy) to order an internal audit of the Sponsorship Program.²³ The audit report was presented to Mr. Gagliano in September 2000 and disclosed a number of irregularities in the administration of the Program. He says that he ordered a temporary suspension of the Program until a plan could be implemented to mitigate the risks identified in the audit, at which time the Program would be reinstated.²⁴ Given that contracts were issued as early as November 2000, the moratorium, if in fact it occurred, was of a very short duration.²⁵

On September 1, 2001, after CCSB had been merged with the Canada Information Office, the new organization, named Communication Canada, assumed responsibility for the administration of the Sponsorship Program. Communication Canada, under the leadership of Mr. Guy McKenzie, created for the first time an administrative structure to handle sponsorship contracts, using known and published criteria and standard procedures.²⁶

In January 2002, Mr. Gagliano was replaced as Minister of PWGSC by the Honourable Don Boudria, who was advised in May 2002 by the Auditor General that, on the basis of certain findings with respect to three sponsorship contracts she had been investigating, she was referring the files in question to the RCMP and was undertaking a complete audit of the Sponsorship Program from 1997 to 2001. By now the problems associated with the Program had become the subject of daily questions in the House of Commons and extensive critical media coverage.²⁷ On May 23, 2002, Prime Minister Chrétien made a major speech in the House of Commons in which he announced a number of new initiatives designed to restore public confidence in the integrity of the Government.²⁸

On May 26, 2002, Mr. Boudria was replaced as Minister of PWGSC by the Honourable Ralph Goodale, who was instructed by Prime Minister Chrétien to “go in there, find out what is the problem and fix it.” Within

24 hours Mr. Goodale was able to determine that the problems with the past administration of the Program were of such gravity and importance that it would be best to suspend it again. The moratorium was partially lifted on July 22, 2002, and when the Program was resumed in September of that year, Communication Canada had the responsibility of administering it under new rules and without using the services of communication or advertising agencies as intermediaries.²⁹

In December 2003, when the Right Honourable Paul Martin took office as Prime Minister, the first action taken by the new Cabinet was to cancel the Sponsorship Program. A few months later, Communication Canada was dismantled.³⁰

From 1994 to 2003, the amount expended by the Government of Canada for special programs and sponsorships totalled \$332 million, of which 44.4%, or \$147 million, was spent on fees and commissions paid to communication and advertising agencies. These amounts do not include sums of money expended on the salaries of the public servants who worked on the administration of the Sponsorship Program, or the costs of their offices; nor do they include the costs of the numerous audits and investigations which have been conducted over the years as a result of the mismanagement of the Program and the abuses to which it gave rise. And of course the figure of \$332 million does not include the costs incurred by the Government of Canada as a result of the appointment of the present Commission of Inquiry.

I.7

Brief Overview of Federal Government Advertising

The federal government is one of the largest advertisers in the country. From April 1994 to March 2003, it issued advertising contracts totalling \$1.1 billion, out of which 53% was for media placement. In that period, almost 50% of these contracts went to three agencies, Vickers & Benson, BCP and Groupaction.³¹

Endnotes for Chapter I

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- ¹ Office of the Auditor General of Canada, *Report of the Auditor General to the House of Commons: Government-Wide Audit of Sponsorship, Advertising, and Public Opinion Research* (Minister of Public Works and Government Services Canada 2003).
- ² RSC 1985, c. I-11.
- ³ Chapter 3 – The Sponsorship Program; Chapter 4 – Advertising Activities.
- ⁴ PC 2004-110.
- ⁵ PC 2004-119, February 20, 2004; and PC 2004-986, September 14, 2004.
- ⁶ Section 13 reads: “No report shall be made against any person until reasonable notice has been given to the person of the charge of misconduct alleged against him and the person has been allowed full opportunity to be heard in person or by counsel.”
- ⁷ A Latin phrase commonly used by the legal profession, meaning the hearing would be conducted in private.
- ⁸ On April 22 and 23, 2004.
- ⁹ *Gagliano v. Canada (Attorney General)*, 2005 FC 576.
- ¹⁰ *Chrétien v. Canada (Attorney General)*, F C file T-404-05.
- ¹¹ *Chrétien v. Canada (Attorney General)*, 2005 FC 925 (Madam Prothonotary Aronovitch).
- ¹² Exhibit P-I06(A), tab3.
- ¹³ Testimony of Mr. Gagliano, Transcripts vol. 67, pp. 11565-11566, 11582-11583 (OF), pp. 11562-11563, 11578-11579 (E).
- ¹⁴ Testimony of Mr. Guité, Transcripts vol. 33, p.5667(OE), pp.5674-5675(F); Testimony of Mr. Lefrançois, Transcripts vol.53, p. 9135(OF), pp.9131-9132(E).
- ¹⁵ Testimony of Mr. Guité, Transcripts vol. 33, p.5667(OE), pp.5674-5675(F).
- ¹⁶ Testimony of Mr. Pelletier, Transcripts vol. 71, pp. 12402-12403 (OF), pp. 12393-12394 (E); Testimony of Mr. Chrétien, Transcripts vol. 72, p. 12568 (OF), p. 12557 (E).
- ¹⁷ Testimony of Mr. Guité, Transcripts vol. 33, pp. 5676-5677 (OE), pp. 5685-5687 (F); Testimony of Mr. Guité, Transcripts vol. 37, p. 6409 (OE), p. 6427 (F).
- ¹⁸ Exhibit P-20, paras. 84, 88.
- ¹⁹ RSC 1985, c. A-1.
- ²⁰ Testimony of Ms. Lloyd, Transcripts vol. 38, p. 6560 (OE), p. 6567 (F).
- ²¹ Testimony of Ms. Francoeur, Transcripts vol. 38, p. 6645 (OF), 6644-6645 (E); Exhibit P-115, p. 12; Exhibit P-116, p. 6; Exhibit P-117, p. 13.
- ²² Exhibit GC-15; Exhibit P-115, p. 46; Exhibit P-200, p. 46; Exhibit P-214, p. 142.
- ²³ Testimony of Mr. Turner, Transcripts vol. 16, p. 2550 (OE), p. 2561 (F); Testimony of Mr. Gagliano, Transcripts vol. 67, pp. 11550-11551 (OF), pp. 11549-11550 (E); Exhibit P-45, paras. 116-117.
- ²⁴ Testimony of Mr. Gagliano, Transcripts vol. 69, p. 11983 (OF), pp. 11974-11975 (E).
- ²⁵ Exhibit P-428(D), p. 747.

²⁶ Exhibit P-127(A), tab A, pp. 8-10.

²⁷ Testimony of Mr. Boudria, Transcripts vol. 128, pp. 24216-24218, 24224-24225 (OF), pp. 24214-24217, 24222-24223 (E); Testimony of Mr. Goodale, Transcripts vol. 128, p. 24083 (OE), pp. 24083-24084 (F).

²⁸ Testimony of Mr. Boudria, Transcripts vol. 128, p. 24190 (OE), p. 24196 (F).

²⁹ Testimony of Mr. Goodale, Transcripts vol. 128, pp. 24083-24096 (OE), pp. 24083-24097 (F).

³⁰ Testimony of Mr. Goodale, Transcripts vol. 128, p. 24098 (OE), p. 24099 (F).

³¹ Exhibit P-428(A), pp. 16, 20, 69.