



**BRITISH
COLUMBIA**

May 7, 2007

Ref: 69245

John Furlong
President and CEO
Vancouver Organizing Committee
3585 Gravely Street
Vancouver, BC V5K 5J5

Dear John:

Re: VANOC Version II Business Plan

On behalf of the Province of British Columbia, I would like to thank you for providing Version II of the Vancouver Organizing Committee's Business Plan for our review.

We appreciate that the staging and hosting of the 2010 Olympic and Paralympic Winter Games is no doubt a challenging and complex undertaking. Clearly, your Business Plan is evidence of the significant time and resources that you and your staff have dedicated to its development, in order to help ensure that the Games will indeed be a huge success for VANOC, British Columbians and all of Canada.

Your Business Plan highlights the importance of the strong Games partnership that exists, which is truly needed to deliver that success and I want to reaffirm to you the Province's dedication to its Games commitments.

From the early days of the Games Bid, the Province has embraced and supported the vision of the Games and will continue to do so by ensuring that our commitments to the Games are met and that the Province assists in any way feasible to support VANOC's efforts in delivering a successful Games.

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**Office of the Minister
Ministry of
Economic Development
and Minister Responsible for
the Asia Pacific Initiative and
the Olympics**



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Part of those commitments also includes the ongoing oversight of the significant provincial investment in the Games and we have approached our review of your latest Business Plan with the due seriousness necessitated by that commitment.

My ministry has completed a review of VANOC's Version II Business Plan, with the assistance of several departments and agencies across the provincial government. We divided our review into two components – one focusing on the operations component of the Business Plan and the other focusing on the venue development component.

During this review, our staff worked very closely with VANOC staff to better understand the processes and some of the key assumptions used in preparing the Business Plan and I am grateful for this cooperation.

In general, the results of these reviews have provided my ministry with further confidence in VANOC's progress and ability to deliver a successful Games. However, like any other projects of this size, we are also mindful that there are a number of challenges both now and in future that will continue to require the close cooperation of each of the Games partners. That said, our review suggests that VANOC has applied good, consistent processes in the development of its Business Plan and is continuing to develop and refine the control and risk management systems necessary to help manage the various challenges and opportunities that the Games create.

Our review has highlighted two areas of challenges and opportunities that will require close attention as planning and development of the Games continues to evolve. This will be assisted by VANOC continuing to build on the close working relationship with the Province and its other Games partners.

- The Business Plan carries a \$100 million contingency allowance to help offset uncertainties between now and the end of the Games. While the Province recognizes that VANOC has in place an evolving system of risk management, contingency and deficit avoidance plans, we also recognize that there remains a number of uncertainties regarding various revenue, expenditure and tax treatment assumptions contained in the Business Plan. With almost three years to go before the Games, I believe that it will be of importance that VANOC continue to demonstrate the sufficiency of its contingency reserves and deficit avoidance plans that help ensure a financially successful Games event.
- VANOC has expressed a desire to be as transparent as possible in its planning and reporting processes. The Province supports this view in the interests of all British Columbians and we are pleased with VANOC's decision to make this Business Plan available to the public. The provincial review has highlighted an opportunity for VANOC to achieve further transparency and public understanding by providing the public with more information concerning the assumptions, risks and attending risk management strategies that underlies the VANOC

Business Plan. We believe that by providing as much information as possible, both the public and the Games partners will have a better appreciation of the strengths of VANOC's management systems and of the challenges and opportunities that exist between now and the Games.

Consistent with our past practice, I will be providing you with information on the outcomes of the review work performed. It is my expectation that VANOC will review this information and consider appropriate ways to address the opportunities identified. The Province will continue to work with VANOC in these and other areas, and we look forward to noting further positive developments when the Province reviews further iterations of VANOC's Business Plan.

Based on the above, I am pleased to advise you that, on behalf of the Province of British Columbia, I approve VANOC's Version II Business Plan.

I congratulate you and your team on this development and applaud your ongoing commitment to transparency by releasing this Business Plan to the public. The release of this plan marks an important milestone on the road to a successful 2010 Games that will be the pride of all British Columbians.

Yours truly,

A handwritten signature in black ink, appearing to read 'Colin Hansen', written in a cursive style.

Colin Hansen
Minister

cc: Honourable David L. Emerson, P.C., M.P.
Office of the Minister of International Trade and Minister for the Pacific Gateway
and the Vancouver-Whistler Olympics

Mr. Jack Poole,
Chairman of the Board, VANOC

Ms. Annette Antoniak,
President and CEO
BC Olympic and Paralympic Winter Games Secretariat

