

QUESTION 7

7. As part of the response regarding expenditures from central reserves, the term "ecclesiastical guidance" is used. Please define this term, and describe the activities performed that come within this definition. Please provide a copy of written agreements regarding the provision of such services, and state how the charges for such services are determined. In this regard, please describe the ecclesiastical guidance provided to BPI by CSI.

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In general, the term "ecclesiastical guidance" means providing the necessary assistance to local churches to ensure that they provide religious services exactly in accordance with the scriptures and that the church is administered in accordance with ecclesiastical policy with the result that the local church is ministering to the spiritual needs of its religious community as well as assisting society through various social betterment activities.

Ecclesiastical guidance with respect to standard delivery of religious services and ministering to the spiritual needs of a church's religious community are numerous and practically endless. The following represent but a small sampling:

- preclear is still manifesting false purposes but has voiced something close to the clear cognition but has no attention on it. Should he be put on FPRD or Expanded Dianetics?
- A student on a Method 1 co-audit goes exterior and thereafter has headaches and high TA. Should he get End of Endless Int or a full Dianetics Int Rundown as he appears able to run track.
- A student on Clay Table processing has come very close to voicing the end phenomena and is now complaining of boredom and no change. Should he continue the processing or get a rehab.
- A group processing intensive is going to be delivered over six weeks. There are several parishioners who won't be able to attend until the second week - should they be allowed to participate or should they study Intro, Demo & Assists?

- A student just finished a life orientation course and wants to route onto his Academy Levels - should he first do the HQS course, the Student Hat or Method One Co-Audit Course?

- A preclear has evidence of last lifetime auditing. Should he continue on the grades processes or should he be bridged over to a CCRD?

- A preclear has an irrational fear of flying. Should he be run on reach and withdraw from airplanes or recalls and then R3RA?

- A preclear has been run on Op Pro By Dup for 26 hours and the comm lag is flattened. Should he be put on something else or continued till he goes exterior?

- A student keeps getting stuck in word chains and is making little progress on course but is winning on looking up the words. Should he be bridged over to Method 1 Word Clearing or a Student Rescue Intensive, Student Booster Rundown, Primary Correction Rundown or Key To Life?

- An individual makes it to OT III, yet his grades are out. Does one return him to his grades or get him through OT III. Does he retread OT I and II?

- A Clear still has pictures. How do you handle?

The above are examples of ecclesiastical guidance of a technical nature. The following are some administrative examples of ecclesiastical guidance.

- There is a 3 to 1 tech admin ratio in an org. Should some personnel be transferred onto admin posts or should they continue to audit, wordclear and supervise and handle admin on an all hands basis.

- The flow lines of an org are set up to have public see the Ethics Officer to see if they have a PTS situation before they see the Registrar. Should they see the Registrar first or should the org post more ethics officers to unjam the lines?

- The Student Completions stat went into Affluence but the resign line went into Danger. Should the Registrar or the Course Supervisor be checked out for any out tech?

- The Bulk Mail Out statistic is the parallel graph to New Starts, which are both in Non-Existence. Should the org send a mailing to its CF or should it reinforce its body routing for PE lectures and testing lines? Is the BMO the situation and how can one test this?

- Call-in in Affluence but Value of Service Delivered is in Danger. Should the org post a new registrar to reinforce the Affluence or should it implement all hands auditing to handle the backlog. How does one resolve the call-in and VSD discrepancy and is there a D/CO D & E penalty?

- There are a number of students who cannot keep the proper course schedule due to job conflicts. Should they only study on weekends or can a special schedule be implemented without violating HCOPL WHAT IS A COURSE?

- The interns are taking overlong to get in the chair. Should they be sent to cramming or back to the Academy to retread the materials?

- Interns must audit intensively, but the HGC already has more than enough auditors for pc delivery. How can the interns meet their requirements?

- The organization is rollercoastering between Danger and Affluence. How does one find the incomplete condition formula? And which condition should be applied - the incomplete one or the one currently indicated by stats? And is there a specific formula for the third dynamic as opposed to the first?

- The organization is in a condition of Emergency and yet has no resources to promote. How is this solved?

- The HGC has hit 600 Well Done Auditing Hours and seems to be stuck in that range. Should the org add more C/Ses and auditors or should it open a new HGC? If a new HGC opens, what are the divisions of duties - grade chart actions versus special rundowns?

- The Div 6 Courseroom is overcrowded and is overflowing into the Academy. Should the org move the Academy or open up a City Office to deliver introductory services?

- Ethnic surveys are provided to inform the local church how they can best contribute to their communities. As a result the churches provide what is most needed by their town or city. In Seattle the local church is spearheading the "plant Seattle green" campaign. In Boston the local church sponsors the "Boston rocks against drugs" campaign and similarly our Los Angeles churches sponsor the "lead the way to a drug free LA" and church volunteers provide tutorial services to illiterate children and adults in Compton.

- Performing Stat analysis resulting in an analysis of what formula should be applied to raise the overall condition and well being of individual church organizations and of areas.

- Providing demographic surveys which inform the local church where to focus their dissemination efforts and advising churches about services on the Grade Chart Introductory Routes would best serve the needs of their community.

- Providing computerized routing forms which give precise direction to both parishioners and staff as to how to optimally assist parishioners to enroll on and complete religious services.

- Providing a review procedure for church justice proceedings where needed.

- Providing new church policies, bulletins or directives as issued. Often these, like a Senior C/S International Bulletin will address specific areas of the technology that a large number of churches are having difficulty with and provides the relevant guidance

- Providing shooting boards of church fliers, posters, brochures, information packs, and other dissemination materials.

- Providing printed promotional materials;

- Providing general hatting packs of issues for specific functions within a church so that they will be successfully and standardly carried out.
- Compiling and providing hatting packs for each post on a church organizing board so that the staff members have all the information needed to successfully hold their posts at their disposal.
- Providing "FSM Kits" which assist field staff members of the local church to disseminate.
- Providing defense in the form of materials to correct false reports or media attacks where and when they occur.
- Providing and maintaining a communications network that keeps the various churches of Scientology in communication with one another.
- Providing formal evaluations which isolate the one area that needs handling in order to improve the health and prosperity of a church organization and a program to effect the needed changes.
- Providing executive training and specialist technical training at the International Training Org.
- Providing missions composed of specially trained staff to render on the ground assistance to correct some deficiency in a local church organization.
- Providing the names and addresses of non-Scientologists who have expressed interest after reading a book on Dianetics and Scientology.
- Providing video or satellite telecast presentations of international events which inform the staff and parishioners of the accomplishments of Scientology internationally. These events occur 5 to 6 times per year.
- Providing video briefings from international executives on some aspect of church operations.

The lists could be endless, both for technical and administrative ecclesiastical guidance. Management exists to provide this guidance to churches so that they adhere to the Scientology scriptures and minister the best possible Scientology services to their religious communities and expand to accomplish the goal of creating a new civilization.

Exhibit II-4-M (as modified by Exhibit II-4-0) is a representative sample of the agreement between CSI and its subordinate church organizations that was in force during the periods in question. As provided in that agreement, the amounts billed were determined necessary to cover CSI's costs of operation and to support the religious programs of the hierarchical Church. CSI requested amounts for various types of services commensurate with CSI's medium and long term financial planning to fund its various religious programs and to build reserves against future expenditures. Under this system, services provided by CSI to the broad religious movement and not identified with any particular church were not billed or compensated. Many of the routine ecclesiastical guidance actions above were not billed or compensated. Only those services which could be identified with a particular church were billed and collections were strictly based on ability to pay.

In 1992, a new ecclesiastical support agreement between CSI and other churches in the ecclesiastical hierarchy was formulated and generally adopted. (See sample agreement at Exhibit III-4-D.) This agreement provides that each church will contribute 12.5% of its Corrected Gross Income to CSI in exchange for the ecclesiastical guidance provided by CSI and to support CSI's expenses and broad religious programs. Corrected Gross Income is a term which reflects the remaining income after certain items have been deducted from Gross Income (i.e. Gross Receipts of all kinds) including gross income from sales of bookstore items, FSM Commissions and the like. Typically, 12.5% of Corrected Gross Income equates to around 8% of Gross Income.

12.5% of Corrected Gross Income was established as an apportionment of CSI's annual expected costs and expenses in the dissemination, expansion and defense of the religion as well as the support of its various social betterment and social reform activities, as divided by the anticipated annual contributions the subordinate churches would receive. Under this formula, each local church is expected to bear its fair share of CSI's expenses and thus support the worldwide Scientology religious movement. This system is considered as equitable as the earlier system but easier to administer.

In addition to the 12.5% each church is separately requested to compensate CSI for extraordinary services rendered to that particular church. These services include such things as special missions sent from CSI to render on-the-spot assistance to a local church and also provision of administrative training and special technical training to executive and technical staff members respectively at the International Training Org.

With respect to BPI, the term "ecclesiastical guidance" includes a number of the above types of services but in particular services which are unique to the publishing of Scientology religious materials. CSI provides guidance to BPI in the form of Scientology artwork for the covers and dustjackets of religious publications, compilations of Dianetics and Scientology books and course packs, broad dissemination campaigns for Scientology religious literature, illustrations for Scientology texts, promotional materials, evaluations and programs designed to increase BPI's efficiency and so forth. BPI continues to be billed for CSI services and does not have an ecclesiastical support agreement based on a percentage of income or corrected gross income as do the daughter churches as described earlier. BPI's payments for such services are balanced against its need to finance religious works at any point in time and payments will either be deferred or caught up depending on such needs. The payments for ecclesiastical guidance from BPI to CSI listed in our prior response were against accumulated billings requested for such services.

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