JAPAN ATOMIC INDUSTRIAL FORUM, INC.



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October 3, 2002

Academician Evgenii P. Velikhov RRC "Kurchatov Institute" Moscow, Russian Federation Fax: 7-095-742-5868

Subject: Joint Report

Dear Academician Dr. Velikhov,

It is with pleasure to acknowledge receipt of your letter of September 26, 2002, which informs us of your forthcoming schedule in Japan and a plan for materialization of our joint Report to be presented to the Governments. I also confirm to have received your memorandum of the meeting with our Dr. Uematsu, which took place in Moscow on September 10. I would like to express my sincere gratitude for your kind attention and efforts to make the meeting very fruitful. At the same time, I must apologize for some delay in my response, which was caused by my recent trip to France, where we had very useful discussions with our French colleagues.

I fully agree with your idea that Dr. Kuznetsov will come to Japan in advance of you to finalize the document during your stay in Japan. It is also fine that he will prepare a draft and send to us before October 20, which enables us to make our comments when Dr. Kuznetsov comes to Japan. The documents necessary for obtaining the Japanese visa for him were already sent.

In the meantime, we think that the Joint Report is to be based on a background philosophy on the fusion of nuclear disarmament efforts and development of nuclear energy for peaceful purposes as described in the attachment to this letter. Necessity of an extensive intergovernmental agreement between Japan and Russia must be emphasized. I hope that you can share such opinion.

As to eight specific items you are proposing, in our understanding it would better to put stress on items 1, 2 and 3, as financial supports for them by the Japanese government are conceived to a certain extent. It may be a good idea to propose a joint development

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project of RJ-800 (a version of BN-800 as proposed by Dr. Uematsu) in combination with the efforts of weapon grade plutonium disposition.

Item 4 is closely related with item 1. Items 5 and 6 are your proposals and we would like to continue discussions based on your draft wording. Items 7 and 8 are to be described in a very generic form, as the ITER is already being realized on a multilateral basis and Japanese interest in uranium enrichment is rather in line with purchase of services.

I would like to ask you to consider our above-mentioned comments and include the necessary points in the draft document that Dr. Kuznetsov is preparing.

Looking forward to hearing from you soon,

Yours sincerely

Kazuhisa Mori

Executive Vice Chairman