

March 15, 2001

Ms. Linda Keen President Canadian Nuclear Safety Commission 280 Slater Street P.O. Box 1046 Ottawa, Ontario K1P 5S9

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Subject: The Iter International Fusion Energy Institute - Letter of Intent

Dear Ms. Keen,

This letter is to inform you of our intent to seek Canadian Nuclear Safety Commission (CNSC) approval to site and construct the Iter Facility (referred to hereafter as "Iter") in Clarington, Ontario. The facility will be comprised of a tokamak and associated buildings and services as described in the attachments to this letter.

This submission is intended to both notify the CNSC of the intention of the Iter International Fusion Energy Institute (referred to hereafter as the Iter Institute) to site and construct the project, and to provide sufficient information to enable a determination of the application of the Canadian Environmental Assessment Act (CEAA) to the project.

Fusion power holds the potential of being a virtually unlimited, safe and sustainable source of future energy. "Iter" is Latin for "the way" and implies that the project will show the way to a new and cleaner energy source for our planet. Iter is to be the last major step in decades of research and development effort before a demonstration fusion power facility can be built and it is the key to harnessing that potential.

Iter is the product of a collaboration of an international group of governments who have contributed teams of scientists and engineers, and have funded corporations working under an international agreement for several years. The European Union, the Soviet Union, Japan and the United States of America launched Iter in the mid 1980's. From the outset of the research and design activities, Canada has participated in partnership with the Europeans. Since the late 1990's, Iter Canada has led Canada's contribution to the project. The Iter Institute is the corporation formed under the Iter Canada program

to enable licensing of Iter in Canada. The Iter Institute will become an international organization prior to the implementation of the Iter project. It will own and operate Iter and be the licensee.

In addition to the potential substantial contribution to the future generations of mankind, Iter will benefit the Municipality of Clarington, the Province of Ontario, and Canada, by providing future economic growth and development. The proposed facility location is between the Darlington Nuclear Generating Station and the Blue Circle Cement Plant on the north shore of Lake Ontario. Further information including a project description is provided in the attachments.

Attachment 1: Iter Project Description – Objectives, Schedule and Technical Description Attachment 2: Proposed Site Location and Description of Environmental Characteristics Attachment 3: Proposed Public Involvement Plan Attachment 4: Proposed QA Plan Development Attachment 5: Legal Entity Description Attachment 6: Draft Statement of Authority for the Clarington Site (final to follow)

From discussions with your staff, we would expect that the initial review of this letter of intent and the scoping of the environmental assessment will be completed by the end of this month, under our current funding agreement between Iter Canada and the CNSC that expires March 31, 2001. The results of the scoping for the environmental assessment would allow us to plan our own work towards the environmental assessment itself. Our public involvement program was initiated some time ago, and this will remain ongoing.

You may be aware that this project is subject to a number of external approvals, eg. the Canadian federal government and ultimately the governments of Japan, the European Union and the Russian Federation. In this regard, it is important for Canada to initiate the licensing and environmental assessment process at this time. However, as we are being funded primarily from our corporate members, we must also ensure that the licensing and environmental assessment proceeds at a pace consistent with our funding approvals, which in turn are governed by our progress in international negotiations.

Therefore, I have asked our leader for this project, Dr. Murray J. Stewart, to work with your staff to develop an appropriate funding arrangement with the CNSC beyond April 1st, 2001. This is on the understanding that no work should be undertaken by the CNSC beyond our current funding arrangements, until a new arrangement is in place. I would also ask that you please address all correspondence and contacts to Dr. Murray Stewart.

Finally, thank you in advance for your consideration of this important project to Canada and I look forward to meeting with you in the near future to more fully discuss our plans with you.

Yours truly,

Dr. Peter Barnard Chairman and CEO The Iter International Fusion Energy Institute