

TRANSLATION

Santiago, 9th January, 2002.

To: Minister Jaime Ravinet
Ministry of Housing and Public Assets
Santiago.

Mr. Minister,

Through this letter we would like to present, briefly, the position of Associated Universities Inc (AUI) and of the European Southern Observatory (ESO), with regard to the ALMA Project, aimed at the construction, execution and development of an astronomical observatory in the lands of the Chajnantor Site, Region II, Cerro Chascón Sector, San Pedro de Atacama.

Based on information from their legal counsels, the senior bodies of ESO and AUI have concluded that that access to and possession of the land should be protected by a title deed that gives the security and stability required for a project of this scale. In this sense, the expectations of AUI and ESO are to gain access to the land through an onerous acquisition. A less preferential option, would be to gain an exclusive onerous concession, granted directly by your Ministry. Under no circumstances would we contemplate going through intermediaries.

In the event that the direct concession option was decided upon, and according to legislation in force, ESO and AUI would have to establish a society in which they would participate with equal shares, under a joint administration. This society would receive the land as a concessionaire, in order for ESO and AUI to develop the ALMA Project, each of them acting under their respective legal status concerning immunities and other benefits enjoyed by each institution, separately, at present. Naturally, the more precise conditions of the concession should be discussed in detail, whenever appropriate, reflecting the interests involved and the compatibility with the current regime of both Institutions.

Whether the land is granted through ownership or as a direct concession, both ESO and AUI would like to express their willingness to contribute to the establishment of a development fund for national astronomy, regardless of the observing time for scientists,

as well as to a fund for development of education in Region II and in San Pedro de Atacama, in particular.

It is essential to indicate that the ALMA project requires of an exclusive access to most of the land within the Chajnantor reserve. However, it would be feasible to define one or more areas, outside the continuous and exclusive area of the project which could be shared with other eventual projects, as well as open areas, as long as the activities carried out within these non-exclusive areas do not compromise the feasibility of ALMA, nor impose operative restrictions to the project.

May we take this opportunity to reiterate the assurances of our highest consideration.

Signed:

Eduardo Hardy
AUI Representative in Chile

Daniel Hofstadt
ESO Representative in Chile