



U.S. Department
of Transportation

Maritime
Administration

400 Seventh Street, S.W.
Washington, D.C. 20590

July 12, 2006
Advance via facsimile

U.S. Nuclear Regulatory Commission
ATTN: Document Control Desk
Washington, DC 20555-0001

**Subject: License NS-1, Docket No. 50-238; TS 3.3.2;
Thirty-Day Notification of Planned Ship Movement**

Dear Sir:

As we have previously discussed, the Maritime Administration (MARAD) modified its plans to drydock the N.S. SAVANNAH (NSS) earlier this year by dividing the maintenance work scope into two separate packages, each of which to be bid separately. This modification was made necessary by market conditions in the commercial ship repair sector. MARAD's assigned General Agent, Keystone Shipping Company, solicited bids for the first work package, a topside repair availability, in June 2006. Bids have been received and evaluated, and Keystone has awarded the contract to Colonna's Shipyards of Portsmouth, Virginia. Notice to Proceed with the contract work will be issued no earlier than thirty days from July 12.

In accordance with Technical Specification 3.3.2., this letter provides thirty-day notification of the planned movement of the NSS from its present location in the James River Reserve Fleet anchorage to Colonna's Shipyard. The NSS will be towed to Colonna's Shipyard on or about August 15 2006. Towing of the ship shall be overseen and regulated by the United States Coast Guard Marine Safety Office, Hampton Roads, Virginia. Colonna's Shipyard is located within the geographic boundary covered by the Norfolk and Hampton Roads Port Operating Plan.

The topside repair availability includes conventional ship maintenance activities, including general repairs to the ship's structure and electrical systems; preservation of cargo holds; and modifications to the ship's dehumidification system and related service infrastructure. In addition, the ship's

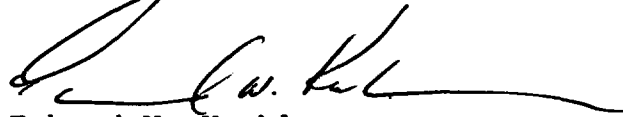
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N.S. SAVANNAH; License NS-1, Docket No. 50-238
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July 12, 2006

deteriorated interior will be cleaned and repaired to support future pre-decommissioning activities. Concurrent with this effort, Keystone will issue a solicitation for drydocking of the NSS, with that activity planned for the first quarter of FY 2007. The NSS will remain at Colonna's until the drydock contract is awarded, including the thirty-day TS notice period for movement of the NSS from Colonna's to the drydocking facility.

Please feel free to contact me if you have any questions or comments regarding this activity. I can be reached by email at erhard.koehler@dot.gov and/or at (202) 366-2631.

Sincerely,

A handwritten signature in black ink, appearing to read 'E. W. Koehler', with a long horizontal flourish extending to the right.

Erhard W. Koehler
Manager, N.S. SAVANNAH Programs

E. Koehler\jmo\07-12-2006

N.S. SAVANNAH; License NS-1, Docket No. 50-238
Thirty-Day Notice of Planned Ship Movement
July 12, 2006

cc: MAR-600, 610, 610.1, 610.2, 610.3, 610.4 (rf), 610.5,
611, 612, 613, 614
MRG-7100, 7600 (mw), 7700
General Health Physics (J. Davis)
U.S. Army Humphreys Engineer Center (S. Crispin)
Keystone Shipping Services (L. Cavaliere, L. Flink)
U.S. DOE, Jefferson Labs (E. Abkemeir)
Virginia Dept of Emergency Management (B. Iverson)
Virginia Dept. of Health (J. Dekrafft)

cc: USNRC - Alexander Adams (NS SAVANNAH Project Manager)
USNRC - Craig Bassett (NS SAVANNAH Inspector)