



U.S. Department
of Transportation

**Maritime
Administration**

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

September 30, 2002

U.S. Nuclear Regulatory Commission
ATTN: Alexander Adams,
Mail Stop O12-G13
Washington, DC 20555-0001

Subject: License NS-1, Docket No. 50-238
N.S. SAVANNAH Decommissioning Funding Status Report for CY 2002

Dear Mr. Adams:

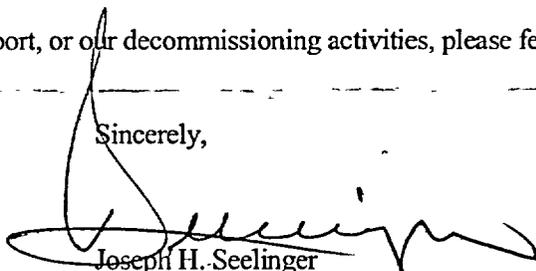
Pursuant to the requirements of 10 CFR 50(f)(1), the Maritime Administration (MARAD) is pleased to submit this letter report on the status of decommissioning funding for the Nuclear Ship SAVANNAH. As you are aware, the N.S. SAVANNAH (NSS) and its nuclear reactor are federally-owned facilities, represented by the United States Department of Transportation, acting by and through the Maritime Administration. As such, funding for the decommissioning and disposal of the NSS reactor and nuclear systems components and waste must be provided by an appropriation from the United States Congress. MARAD maintains no funding reserve, nor does it accumulate or collect funds as described in the CFR reference. At such time as decommissioning and disposal are authorized and funds are appropriated, MARAD will promptly notify the Nuclear Regulatory Commission.

Notwithstanding the general information included above, you may recall that in our annual report for calendar year 2001, MARAD noted its interest and pursuit of decommissioning alternatives and funding for Fiscal Year 2004. These activities are ongoing, and we will continue to keep your office apprised of developments.

This report may be considered to cover calendar years 1999 through 2001. Subsequent calendar year reports will be included as line items in MARAD's annual report of N.S. SAVANNAH activities, on or about March 1 of each year. The next report, due March 1, 2003, will cover calendar year 2002.

If you have any questions regarding this report, or our decommissioning activities, please feel free to contact me, or Erhard Koehler, at any time.

Sincerely,



Joseph H. Seelinger
Deputy Director, Office of Ship Operations

Enclosures

E. Koehler/ek/09/23/02
1EK.610-02.xxxL

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cc: MAR-600, 610, 610.1, 611 (rf, rb, wc, ek), 612, 613
MRG-7100, 7600 (mfb, rr), 7700