

STURGIS Project Update, February 11, 2015

As many of you may know, the Galveston City Council approved the Specific Use Permit for the STURGIS Decommissioning Project. With this approval, we are now preparing the STURGIS for the tow. Additionally, we will conduct baseline surveys at the Malin International Shipyard in Galveston beginning the week of February 16. The purpose of the baseline surveys are to document the current conditions at the shipyard prior to the arrival of the STURGIS. The baseline surveys will take approximately two weeks.

We have revised the project schedule and anticipate that the STURGIS will leave Virginia sometime in April and arrive in Galveston in May. We will notify you the day the vessel leaves Virginia. It will take approximately three weeks to arrive in Galveston. Once the vessel is secured at the Malin International Shipyard, the contractor will begin the work to remove the residual radioactive and/or hazardous materials and complete radiological surveys to ensure compliance with federal and state regulations. It is anticipated that the STURGIS will be in Galveston for 14-18 months.

We are committed to continuing to address concerns and to keeping all channels of communication open. If you have any questions, please let me know.