

**DESCRIPTION OF THE PROPOSED TRANSACTION AND PUBLIC INTEREST
STATEMENT**

Through a series of applications and filings identified below, Rockwell Collins, Inc. (“Rockwell Collins”) seeks Federal Communications Commission (“FCC” or “Commission”) consent to a proposed transaction that will involve the transfer of control of all of the licenses, authorizations, and registrations held by Rockwell Collins and its subsidiaries, ARINC, Inc. (“ARINC”), Aeronautical Radio, Inc. (“Aeronautical Radio”), and B/E Aerospace, Inc. (“B/E Aerospace”), from Rockwell Collins to United Technologies Corporation (“UTC”). As described further below, the proposed transaction will serve the public interest, convenience, and necessity, and the Commission should expeditiously grant it.

Description of the Parties

Rockwell Collins is a publicly-traded Delaware corporation with its headquarters in Cedar Rapids, Iowa. Rockwell Collins is a leader in aviation and high-integrity solutions for commercial and military customers around the world. As experts in flight deck avionics, cabin electronics, cabin interiors, information management, mission communications, and simulation and training, Rockwell Collins offers a comprehensive portfolio of products and services. Rockwell Collins serves a broad range of customers worldwide, including the U.S. Department of Defense, U.S. Coast Guard, civil agencies, defense contractors, foreign ministries of defense, manufacturers of commercial air transport, business and regional aircraft, commercial airlines, and other aircraft.

ARINC is a global provider of transportation communications and systems engineering. ARINC develops and operates communications and information processing systems and provides systems engineering to five key industries: airports, aviation, defense, government, and surface transportation. ARINC is a Delaware corporation, headquartered in Annapolis, Maryland. Aeronautical Radio, Inc., is a subsidiary of ARINC.

B/E Aerospace is a Delaware corporation, headquartered in Winston-Salem, North Carolina. It is a leading manufacturer of aircraft cabin interior products, which include seating, food and beverage preparation and storage equipment, lighting and oxygen systems, and galley and lavatory systems.

Rockwell Collins and its subsidiaries hold a variety of FCC licenses and authorizations.

United Technologies Corporation (“UTC”) is a publicly-traded Delaware corporation with its headquarters in Farmington, Connecticut. UTC researches, develops, and manufactures products in numerous areas, including aircraft engines, aerospace systems, HVAC, elevators and escalators, fire and security, building systems, and industrial products. UTC is also a large military contractor. UTC and its subsidiaries hold a variety of FCC licenses.

Description of the Transaction

On September 4, 2017, UTC, Rockwell Collins, UTC, and Riveter Merger Sub Corp., a Delaware corporation and a wholly-owned subsidiary of UTC, entered into an Agreement and Plan of Merger (“Agreement”). Pursuant to the Agreement, Riveter Merger Sub Corp. will merge with and into Rockwell Collins, with Rockwell Collins surviving the merger as a wholly-owned subsidiary of UTC. The transaction thus will result in a change of control of all of the Commission licenses and authorizations held by Rockwell Collins and its subsidiaries, including ARINC, from Rockwell Collins to UTC.

Rockwell Collins and its subsidiaries hold a number of licenses, authorizations, and registrations, control of which will be transferred to UTC upon consummation of the transaction. Specifically, these include:

- Private-Operational Fixed Point-to-Point Microwave Service licenses issued under Part 101 of the FCC’s rules;
- Private Land Mobile Radio Services licenses issued under Part 90 of the FCC’s rules;
- Aeronautical and Aviation Radionavigation and Ground Station licenses issued under Part 87 of the FCC’s rules;
- A nationwide non-exclusive 3650-3700 MHz license issued under Part 90 of the FCC’s rules;
- Experimental Radio authorizations issued under Part 5 of the FCC’s rules;
- Antenna Structure Registrations issued under Part 17 of the FCC’s rules; and
- An international Section 214 authorization.

The parties have prepared and submitted a set of applications and filings, as required by the FCC’s rules to seek FCC consent to the proposed transfer of control.¹

Public Interest Statement

As discussed below, the proposed transfer of control of Rockwell Collins and its subsidiaries will create substantial public interest benefits with no offsetting public interest harms. Therefore, the Commission should expeditiously approve the proposed transfer of control.

Pursuant to Section 310(d) of the Communications Act, the Commission may approve a transfer of control if, after weighing “the potential public interest harms of the [transaction] against the public interest benefits,” it concludes that, “on balance,” doing so would serve the public interest, convenience, and necessity.² Accordingly, where the potential harms from a

¹ Notifications of the change in ownership of the Antenna Structure Registrations will be submitted upon closing, as required by FCC rules.

² See, e.g., *Loral Satellite, Inc. (Debtor-in-Possession) and Loral SpaceCom Corporation (Debtor in Possession), Assignors and Intelsat North America, LLC, Assignee*, Order and

proposed transaction are great, the potential benefits must be great; conversely, where the potential harms (if any) are small or limited, the potential benefits need only be of a similar scale.³

As an initial matter, one of the factors the Commission considers in its public interest inquiry is whether the proposed transferee holds the requisite “citizenship, character, financial, technical and other qualifications” to control an FCC licensee.⁴ UTC is fully qualified to hold ultimate control of Rockwell Collins’s and its subsidiaries’ licenses.

Transfer of control of Rockwell Collins and its subsidiaries to UTC will serve the public interest for several reasons. The acquisition will add tremendous capabilities to UTC’s aerospace businesses and will strengthen its complementary offerings of technologically advanced aerospace systems. Together, Rockwell Collins and UTC will enhance customer value in a rapidly evolving aerospace industry bringing Rockwell Collins’s offerings—including seating and interior systems, information solutions, and avionics—to the UTC family of companies, which currently offers electric, environmental, and engine systems, actuation and propellers, aerostructures (nacelles), landing systems, and sensors and related systems. The integrated companies’ expertise in developing aerospace solutions will allow them to deliver more innovative products and services and provide greater value to customers. The combination will create new opportunities for both companies to advance innovation in a growing and dynamic industry. The combination will also enable UTC to compete more effectively for future business through continued investments in innovation, world-class integrated product offerings, and the ability to retain top talent in the industry.

Authorization, 19 FCC Rcd 2404, 2411-12 (¶18) (2004) (“*Loral/Intelsat*”); *Comcast Corp., AT&T Corp., and AT&T Comcast Corp.*, Memorandum Opinion and Order, 17 FCC Rcd 23246, 23255 (¶ 26) (2002) (“*AT&T/Comcast*”); *Applications for Consent to The Transfer of Control of Licenses and Sect. 214 Authorizations by Time Warner Inc. and America Online, Inc., Transferors, AOL Time Warner Inc., Transferee*, Memorandum Opinion and Order, 16 FCC Rcd 6547, 6554 (¶ 19) (2001) (“*AOL/Time Warner*”); *Applications for Consent to The Transfer of Control of Licenses and Sect. 214 Authorizations from MediaOne Group, Inc. and AT&T Corp.*, Memorandum Opinion and Order, 15 FCC Rcd 9816, 9820 (¶ 8) (2000); *see also* 47 U.S.C. § 310(d).

³ *See, e.g., AT&T/Comcast*, 17 FCC Rcd at 23,329 (¶ 218) (observing that “in balancing the public interest harms and benefits, we employ a sliding scale approach” that “examine[s] the likelihood and the magnitude of the potential public interest harms”); *TRW Inc., Transferor, and Northrop Grumman Corp., Transferee*, Order and Authorization, 17 FCC Rcd 24,625, 24,630 (¶ 15) (Int’l Bur., Sat. Div. 2002) (“*TRW*”) (“We find no potential harms, and thus, the Applicants’ demonstration of potential benefits need not be as great.”).

⁴ *See Southern New England Telecommunications Corp., Transferor and SBC Communications, Inc., Transferee*, Memorandum Opinion and Order, 13 FCC Rcd 21292, 21305 (1998).

The transaction does not present a threat of competitive harm. The two companies' offerings are largely complementary and have almost no overlap, but even where the two companies provide similar services, the companies face significant competition from a number of other suppliers.

Procedural Request for Approval of Additional Authorizations

The licenses, authorizations, and registrations listed above and in the relevant FCC filings are intended to be complete and to include all licenses held by the respective licensees that are subject to the transaction. Rockwell Collins and its subsidiaries, however, may have on file or may hereafter file additional requests for licenses, authorizations, or registrations, which may be granted or remain pending during the pendency of this transaction. Accordingly, the parties request that the FCC authorize UTC to acquire control of the following upon the grant of this transfer of control application:

- Any license, authorization, or registration issued to Rockwell Collins, ARINC, Aeronautical Radio, or B/E Aerospace during the Commission's consideration of the transfer of control application and the period required for consummation of the transaction following approval.
- Any application that is filed after the date of these transfer applications and remains pending at the time of the consummation or the requested transfer of control.⁵

Such actions would be consistent with Commission precedent.⁶ Moreover, the parties request that Commission approval of the transfer applications include any licenses, authorizations, or registrations that may have been inadvertently omitted from the instant applications.

⁵ ARINC, or Aeronautical Radio, will supplement any applications that remain pending upon consummation of the proposed transfer of control to reflect their new ownership. See 47 C.F.R. § 1.65.

⁶ See *Application of WorldCom, Inc., and MCI Communications Corp. for Transfer of Control of MCI Communications Corp. to WorldCom, Inc.*, Memorandum Opinion and Order, 13 FCC Rcd 18,025, 18,153 (¶ 226) (1998); *Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp., Transferee, for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, Memorandum Opinion and Order, 12 FCC Rcd 19,985, 20,097 (¶ 247) (1997); *Applications of Craig O. McCaw and AT&T for Consent to Transfer of Control of McCaw Cellular Communications, Inc. and Its Subsidiaries*, Memorandum Opinion & Order, 9 FCC Rcd 5836, 5909, n.300 (1994) ("McCaw/AT&T Order").