

**Description of Transaction  
and Request for Consent, Nunc Pro Tunc, to Transfer of Control**

**I. Introduction**

By the instant application (“Application”), and pursuant to Section 310(d) of the Communications Act of 1934, as amended (the “Act”), Commission consent is sought to the transfer of ultimate de jure control of DRS Sustainment Systems, Inc. (“Licensee”) from DRS Technologies, Inc. (sometimes referred to herein as “DRS Technologies”, “Transferor” or “Former Parent”) to Finmeccanica - Società per azioni (sometimes referred to herein as “Finmeccanica”, “Transferee” or “New Parent”) with respect to the license for Experimental Station WE2XPT (File No. 0106-EX-PL-2008). Licensee, DRS Technologies and Finmeccanica will be referred to collectively herein as the “Parties”.<sup>1</sup>

**II. The Parties, the Transaction and Related Applications**

This Application seeks Commission consent, nunc pro tunc, with respect to a transaction which was completed on October 22, 2008, whereby Finmeccanica, an Italian aerospace, defense and security corporation, acquired DRS Technologies, a U.S. supplier of integrated defense electronics products, services and support, as well as DRS Technologies’ other subsidiaries (the subsidiaries of DRS Technologies will be referred to collectively herein as the “Subsidiaries”). The Parties inadvertently did not request Commission consent to transfer control prior to completion of the acquisition because they were not aware of the requirement for prior consent based on the facts underlying the transaction. However, upon discovery of this error and confirmation from outside counsel as to the applicable regulatory requirements, the Parties have acted as expeditiously as possible to prepare and submit to the Commission the instant Application, as well as other applications related to the stations (“Stations”) licensed to DRS Technologies and the Subsidiaries.<sup>2</sup> Consistent with the Parties’ discussions with Commission staff, the Parties are filing these applications in order to permit the Parties to come into compliance with the Commission’s requirements as soon as possible while preserving the continuity of the business operations of DRS Technologies and the Subsidiaries that are supported by the facilities authorized under the Stations’ licenses.

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<sup>1</sup> Finmeccanica's principal corporate office is at Piazza Monte Grappa, 4, 00195 Rome, Italy, and its facsimile number is + 39-06-326-57-252. DRS Technologies’ principal corporate office is at 5 Sylvan Way, Parsippany, New Jersey 07054, and its telephone number is + 1 (973) 898-1500.

<sup>2</sup> The instant Application is being filed as part of a series of related filings which are expected to include the following: (i) Transfer of control of DRS Technologies, Inc. and PMRS Stations WQBP858, WQBT209 and WQIM992; (ii) Transfer of control of DRS Sensors & Targeting Systems, Inc. and PMRS Station WQFC503; (iii) Pro forma assignment of Coastal Group Station WPVZ383 from DRS Surveillance Support Systems, Inc. to Laurel Technologies Partnership, and subsequent transfer of control; (iv) Transfer of control of Engineered Coil Company and PMRS Stations WQIJ251 and WPSN424; (v) Transfer of control of DRS Sustainment Systems, Inc. and PMRS Stations WNBQ600 and WNMM636; (vi) Transfer of control of DRS Signal Solutions, Inc. and PMRS Station WPWF620; (vii) Transfer of control of DRS Technical Services, Inc. and Satellite Earth Stations E070005, E060282, E040367; (viii) Pro forma assignment of Experimental License WE2XQM from DRS Surveillance Support Systems, Inc. to Laurel Technologies Partnership, and subsequent transfer of control; (ix) Transfer of control of DRS Sustainment Systems, Inc. and Experimental License WE2XPT; (x) Transfer of control of DRS Codem Systems, Inc. and Experimental License WE2XMV; (xi) Assignment of Experimental License WD2XXS to DRS C3 Systems, Inc.

The following is a brief description of the relevant aspects of the transaction which was completed on October 22, 2008:

1. Prior to the transaction, DRS Technologies, Inc. (the “Former Parent”) was a publicly-held corporation listed on the NYSE, and it was the ultimate corporate parent of Licensee and the other Subsidiaries.
2. Upon completion of the transaction, among other things:
  - A. Each outstanding share of Former Parent’s common stock was cancelled and converted into the right to receive US\$81 in cash and the Former Parent’s common stock was delisted from the NYSE; and
  - B. Former Parent became a direct wholly-owned subsidiary of Meccanica Holdings USA Inc., a US corporation. Meccanica Holdings USA Inc. is 100% directly owned by Finmeccanica - Società per azioni (the “New Parent”). The Subsidiaries continue to be subsidiaries of the Former Parent.
3. Accordingly, the transaction resulted in the transfer of ultimate de jure control of the Former Parent and the Subsidiaries to Finmeccanica - Società per azioni.
4. Finmeccanica - Società per azioni - the New Parent - is an Italian corporation.

See Exhibit 2 for charts depicting the corporate structure Pre-Merger and Post-Merger.

### **III. Public Interest**

Pursuant to Section 310(d) of the Act,<sup>3</sup> the Commission is required to conduct an overall public interest analysis when assessing applications for transfer of control, which include, among other things, whether the transfer will affect the quality of communications services or foster technological development in communications.<sup>4</sup> Furthermore, the Commission must consider whether a proposed transaction presents national security, law enforcement, foreign policy or trade policy concerns.<sup>5</sup>

This transaction serves the public interest. As an initial matter, as specified in the instant filing, Finmeccanica has the qualifications necessary to acquire control of DRS Technologies, the Licensee and the Stations. Finmeccanica, the Transferee, is an Italian corporation a majority of whose stock is publicly traded.<sup>6</sup> Therefore, it is possible that at any one time more than one-fifth of Finmeccanica’s stock is owned by aliens. Due to the nature of the licenses involved in this transaction, however, a foreign ownership ruling pursuant to Section 310(b)(4) of the Communications Act is not required.

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<sup>3</sup> 47 U.S.C. §310(d)

<sup>4</sup> See *Cingular-AT&T Wireless Order*, 19 FCC Rcd at 21,544 (¶ 41); *AT&T-Comcast Order*, 17 FCC Rcd at 23,255 (¶ 27); *AT&T-MediaOne Order*, 15 FCC Rcd at 9,821-22 (¶ 11); *WorldCom-MCI Order*, 13 FCC Rcd at 18,031 (¶ 9).

<sup>5</sup> See *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Report and Order and order on Reconsideration, 12 FCC Rcd 23,891, 23,919-21 (¶¶ 61-66) (1997) (“*Foreign Participation Order*”); *Rules and Policies on Foreign Participation in the U.S. Telecommunications Market*, Order on Reconsideration, 15 FCC Rcd 18,158 (2000).

<sup>6</sup> As of the date of this filing, 30.2% of Finmeccanica's share capital is owned by the Italian Ministry of Economy and Finance and the remaining approximately 69.8% is publicly held.

Notwithstanding that fact, the Parties note that the transaction was, prior to its completion, subjected to substantial and exhaustive national security review conducted by the Committee on Foreign Investment in the United States (CFIUS) and found to be fully compliant with all CFIUS requirements and standards. DRS Technologies will operate as a U.S. subsidiary of Finmeccanica under agreements with the U.S. Department of Defense (DoD), including a plan to mitigate foreign ownership control and influence (FOCI).

Furthermore, the transaction yields substantial public interest benefits without any potential harm to the public. All of the licensees for the Stations continue to be U.S. companies, and, except as required by DoD in connection with a FOCI mitigation plan, there are expected to be no material changes to the personnel, management, headquarters, or operations of such licensees resulting from the transaction. In addition, the transaction permits Finmeccanica to consolidate its integrated Defense and Security systems, while also providing DRS Technologies and the Subsidiaries with new, significant growth prospects in the U.S. and abroad. A potential benefit of the transaction would be the creation of new, high-tech jobs in the U.S. in defense, space, energy, transportation, helicopters and aeronautics manufacturing, sales, innovation, research and development. The transaction is also expected to increase financial support and stability for its U.S. operations.

As explained above, the Parties respectfully submit that approval of the transfer of control, *nunc pro tunc*, is necessary to permit Licensee to continue to operate the Stations so as to ensure the seamless operation of the private communications network of DRS Technologies and the Subsidiaries. Accordingly, approval of this application is in the public interest, convenience and necessity, as it will ensure compliance with the Commission's requirements while preserving the continuity of the business operations of DRS Technologies and the Subsidiaries. In this regard, the following is noted:

- The subject facilities are used solely for the internal communications of employees to help permit the performance of essential business activities and are not used for the provision of commercial telecommunications service.
- As explained above, the failure to request prior Commission consent for the transfer of control described herein was inadvertent. The Parties apologize for any delay in the filing of this application and the related applications being filed in connection with this transaction and they have reviewed their internal regulatory and transactional procedures and are confident that such errors will not re-occur. In this regard, the Parties are taking steps to implement a licensing compliance program which is anticipated to include: (i) generation, maintenance and periodic updating of an electronic licensing database reflecting the active licenses of DRS Technologies and the Subsidiaries, expiration dates, filing deadlines and other relevant information; (ii) training of company personnel responsible for the purchase, acquisition, and sale of radio equipment and/or entities or properties which may include telecommunications assets (such training is anticipated to include, but not be limited to, issues addressing the timely filing of radio station applications, modifications to existing radio facilities, renewal of radio licenses, and applications for prior consent to changes in ownership or control of telecommunications licenses); and (iii) supplementation of such training by outside telecommunications counsel by memoranda and other updates on a periodic basis and when necessary to keep the company informed of Commission policy and regulatory compliance requirements.

The above factors, therefore, warrant grant of this Application without the imposition of sanctions by the Commission. For all of the foregoing reasons, it is respectfully submitted that the

proposed transaction will serve the public interest and the Commission should grant its consent, *nunc pro tunc*, to the transfer of control of Licensee and the Stations identified herein.