

## Transaction Description and Public Interest Statement

By the instant application (“Application”), Leidos, Inc. and Science Applications International Corporation (collectively, the “Parties”) seek Commission consent, nunc pro tunc, to the following transactions which were completed in September 2013, and which are identified below as the “Reorganization” and the “Separation”. Collectively, these events will be referred to as the “Spin-Off Transaction”.<sup>1</sup>

### Reorganization – Pro Forma Assignment of Licenses

On September 27, 2013, Leidos, Inc. (then known as SAIC, Inc.) finalized an internal reorganization (the “Reorganization”) pursuant to which its technical, engineering and enterprise information technology services, including the assets associated with the Stations listed herein as well as other assets and liabilities, were contributed to a company that was – at the time – a wholly-owned subsidiary then known as SAIC Gemini, Inc.<sup>2</sup> The assignment affected through the Reorganization was *pro forma* in nature because it did not constitute a “substantial change in ownership or control” of the subject Stations pursuant to Section 309(c)(2)(B) of the Communications Act of 1934, as amended, 47 U.S.C. § 309(c)(2)(B).

Assignor - Leidos, Inc. (then known as SAIC, Inc.), the licensee of the Stations at the time of the Reorganization.

Assignee – Science Applications International Corporation (then known as SAIC Gemini, Inc. and at the time of the Reorganization a wholly-owned subsidiary of the above-referenced Assignor), the entity acquiring the assets associated with the Stations.

### Separation - Substantial Transfer of Control

Until just before September 27, 2013, all of the outstanding shares of SAIC Gemini, Inc. (now named Science Applications International Corporation ) (also referred to hereafter as the “Spin-Off Company”) common stock were owned by Leidos, Inc. (then known as

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<sup>1</sup> Two separate applications are being filed for Commission consent – (1) For IG Station WPJZ559 and MC Station WHG994; and (2) For Experimental Station WF2XGY. Although this exhibit describes both a pro forma assignment and a substantial transfer of control, in order for the subject licenses to ultimately be located in the correct FRN for the entity currently operating the facilities, the above-referenced applications are being filed as substantial assignment of license applications. Pursuant to discussions with staff, the assignor is identified as “SAIC, Inc.” (FRN 0019228998), which as explained herein was the name of the assignor prior to the Spin-Off Transaction (Note: the signator for the assignor is an officer of Leidos, Inc. – as explained herein this is the current name of the assignor entity). The assignee is identified as “Science Applications International Corporation” (FRN 0023833064).

<sup>2</sup> SAIC Gemini, Inc. was renamed Science Applications International Corporation shortly thereafter.

SAIC, Inc.). To execute the separation (the “Separation”), Leidos, Inc. distributed to its common stockholders all of the outstanding shares of the Spin-Off Company’s common stock, with such stockholders receiving shares of the Spin-Off Company in proportion to the number of shares of Leidos, Inc. common stock held by the holder as of the record date. As a result, Leidos, Inc. and the Spin-Off Company became separate and independent, publicly traded corporations. The Spin-Off Company – which was renamed Science Applications International Corporation – now lists its common stock on the New York Stock Exchange (“NYSE”), and Leidos, Inc. has no continuing stock ownership interest in it.

Transferor - Leidos, Inc. (then known as SAIC, Inc.), which before September 27, 2013 owned all the common stock of the Spin-Off Company.

Transferee – The Spin-Off Company, Science Applications International Corporation (previously SAIC Gemini, Inc.), which on September 27, 2013 became an independent, publicly traded company.

Approval of the 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 the Spin-Off Company (now known as Science Applications International Corporation).<sup>3</sup> In this regard, the following is noted:

- The facilities authorized under the licenses subject to the Spin-Off Transaction are utilized solely for the private, internal communications of the Spin-Off Company, and to support experimental transmissions of that company pursuant to contractual requirements, and are not used for the provision of commercial telecommunications service. As such, the continued operation and licensing of such facilities is necessary for the company’s ongoing business operations, but will have no impact on the public at large.

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<sup>3</sup> To the extent necessary, pursuant to Section 1.3 of the Commission’s Rules, 47 C.F.R. §1.3, it is hereby respectfully requested that the Commission waive the requirement set forth at 47 C.F.R. §5.79(a) that assignments of experimental license receive Commission prior approval before consummation. As explained herein, the failure to request prior Commission consent for the transaction was inadvertent, and largely the result of the organizational changes associated with the transaction. The Parties have each reviewed their internal regulatory and transactional procedures and are confident that such errors will not re-occur in the future. In fact, each Party has begun the process of developing internal FCC-related compliance procedures and training to ensure that similar issues do not arise again. The Parties apologize for not requesting Commission consent to the assignment prior to the completion of the transaction. The parties have submitted the relevant applications in order to permit the parties to come into compliance with the Commission’s requirements while preserving the continuity of the business operations of the licensee that are supported by the facilities authorized under the affected licenses. Accordingly, a waiver of the prior consent requirement is required and warranted.

- The failure to request prior Commission consent for the transaction was inadvertent, and largely the result of the organizational changes associated with the Spin-Off Transaction. The Parties have each reviewed their internal regulatory and transactional procedures and are confident that such errors will not re-occur in the future. In fact, each Party has begun the process of developing internal FCC-related compliance procedures and training to ensure that similar issues do not arise again.

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 to the instant Application, nunc pro tunc, without the imposition of sanctions.