

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of
DRS TECHNOLOGIES, INC.
Licensee of Authorization in the Wireless Radio
Services, Subsidiary of Finmeccanica - Societa per
azioni, and Parent Company of Various Subsidiary
Companies Holding Various Authorizations in the
Wireless, Satellite, and Experimental Radio
Services
File No.: EB-10-IH-1291
Account No.: 201132080019
FRN: 0011475324

ORDER

Adopted: July 22, 2011

Released: July 22, 2011

By the Chief, Enforcement Bureau:

1. In this Order, we adopt the attached Consent Decree entered into between the Enforcement Bureau of the Federal Communications Commission ("Bureau") and DRS Technologies, Inc. ("DRS Technologies"). The Consent Decree terminates an investigation by the Bureau into whether DRS Technologies complied with sections 301 and 310(d) of the Communications Act of 1934, as amended, and with sections 1.948, 5.53(a), 5.59(d), and 25.119 of the Commission's rules ("Rules"), relating to several transactions completed by DRS Technologies and its wholly-owned subsidiary companies between April 1, 2008 and January 1, 2010, and to DRS Technologies' operation of certain experimental radio facilities.

2. The Bureau and DRS Technologies have negotiated the terms of a Consent Decree that resolves this matter. A copy of the Consent Decree is attached hereto and incorporated by reference.

3. After reviewing the terms of the Consent Decree and evaluating the facts before us, we find that the public interest would be served by adopting the Consent Decree and terminating the investigation.

4. In the absence of material new evidence relating to this matter, we conclude that our investigation raises no substantial or material questions of fact as to whether DRS Technologies possesses the basic qualifications, including those related to character, to hold or obtain a Commission license or authorization.

5. Accordingly, IT IS ORDERED that, pursuant to section 4(i) of the Act, and sections 0.111 and 0.311 of the Rules, the Consent Decree attached to this Order IS ADOPTED.

1 47 U.S.C. §§ 301, 310(d).

2 47 C.F.R. §§ 1.948, 5.53(a), 5.59(d), 25.119.

3 47 U.S.C. § 154(i).

4 47 C.F.R. §§ 0.111, 0.311.

6. **IT IS FURTHER ORDERED** that the above-captioned investigation **IS TERMINATED**.

7. **IT IS FURTHER ORDERED** that a copy of this Order and Consent Decree shall be sent both by Certified Mail – Return Receipt Requested and by regular mail to Audrey S. Stern, Vice President and Senior Corporate Counsel, DRS Technologies, Inc., 5 Sylvan Way, Parsippany, NJ 07054.

FEDERAL COMMUNICATIONS COMMISSION

P. Michele Ellison  
Chief, Enforcement Bureau

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Wireless, Satellite, and Experimental Radio	)	
Services	)	
	)	

**CONSENT DECREE**

**I. INTRODUCTION**

1. The Enforcement Bureau of the Federal Communications Commission and DRS Technologies, Inc., hereby enter into this Consent Decree for the purpose of terminating the Enforcement Bureau’s investigation of DRS Technologies’ compliance with sections 301 and 310(d) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 301 and 310(d), and sections 1.948, 5.53(a), 5.59(d), and 25.119 of the Commission’s rules, 47 C.F.R. §§ 1.948, 5.53(a), 5.59(d) and 25.119, relating to several transactions completed by DRS Technologies and its Commission-licensed affiliates between April 1, 2008 and January 1, 2010, and DRS Technologies’ operation of experimental radio facilities.

**II. DEFINITIONS**

2. For the purposes of this Consent Decree, the following definitions shall apply:
- (a) “Act” means the Communications Act of 1934, as amended, 47 U.S.C. § 151 *et seq.*
  - (b) “Adopting Order” or “Order” means an Order of the Commission adopting the terms of this Consent Decree without change, addition, deletion, or modification.
  - (c) “Bureau” means the Enforcement Bureau of the Federal Communications Commission.
  - (d) “Commission” and “FCC” mean the Federal Communications Commission and all of its bureaus and offices.
  - (e) “Compliance Plan” means the program described in this Consent Decree at paragraph 11.
  - (f) “DRS Technologies” means DRS Technologies, Inc., and its wholly-owned subsidiary companies, predecessors-in-interest, and successors-in-interest.
  - (g) “Effective Date” means the date on which the Bureau releases the Adopting Order.
  - (h) “Finmeccanica” means Finmeccanica - Società per azioni and its predecessors-in-interest and successors-in-interest.
  - (i) “Investigation” means the Bureau’s investigation of compliance by DRS Technologies and Finmeccanica with provisions of the Act and of the Rules relating to certain

transfers of control and assignments of licenses involving DRS Technologies and certain of its subsidiary companies and Finmeccanica between April 1, 2008 and January 1, 2010, and of certain provisions of the Act and of the Rules relating to unauthorized operation of radio facilities by DRS ICAS, LLC on or about May 11-14, 2010.

- (j) “Parties” means DRS Technologies, Inc. and the Enforcement Bureau of the Federal Communications Commission, each of which is a “Party.”
- (k) “Rules” means the Commission’s regulations found in Title 47 of the Code of Federal Regulations.

### III. BACKGROUND

3. Finmeccanica is a holding company based in Italy. Various subsidiaries of the company design, develop, and produce commercial and military aircraft, space systems, air defense systems, and air traffic control equipment. Subsidiaries also design and manufacture generation and transmission components, boilers, turbines, cogeneration plants, desalination plants, nuclear power plants, rail transportation systems, and microprocessors. DRS Technologies, a U.S. based supplier of integrated defense electronics products and services, is a Commission licensee and the parent company of various subsidiaries in the United States, certain of which hold Commission licenses. DRS Technologies also is a wholly owned subsidiary of Finmeccanica.

4. Section 310(d) of the Act states:

No construction permit or station license, or any rights there under, shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly, or by transfer of control of any corporation holding such permit or license, to any person except upon application to the Commission and upon finding by the Commission that the public interest, convenience, and necessity will be served thereby.

Sections 1.948, 5.59(d), and 25.119 of the Rules similarly require prior Commission consent to a transfer of control or assignment of license.

5. Section 301 of the Act states that “No person shall use or operate any apparatus for transmission of energy or communications or signal by radio . . . except under and in accordance with the Act and with a license in the behalf granted under the provision of this Act.” Section 5.53(a) of the Commission’s rules similarly requires Commission authorization of all radio transmitters operated in the Experimental Radio Service.

6. DRS Technologies states that, between April 1, 2008 and January 1, 2010, DRS Technologies consummated a series of corporate transactions which effectuated several substantial transfers and *pro forma* assignments of its licenses without prior Commission consent. In addition, DRS Technologies also states that over a period of less than 24 hours from May 11-14, 2010, DRS ICAS, LLC, operated experimental radio facilities without Commission authority. DRS Technologies attributes the failure to obtain timely Commission consent to inadvertence.

### IV. TERMS OF AGREEMENT

7. **Adopting Order.** The Parties agree that the provisions of this Consent Decree shall be subject to final approval by the Bureau by incorporation of such provisions by reference in the Adopting Order without change, addition, modification, or deletion.

8. **Jurisdiction.** DRS Technologies agrees that the Bureau has jurisdiction over it and the matters contained in this Consent Decree, and has the authority to enter into and adopt this Consent Decree.

9. **Effective Date; Violations.** The Parties agree that this Consent Decree shall become effective on the Effective Date. Upon release, the Adopting Order and this Consent Decree shall have the same force and effect as any other order of the Bureau. Any violation of the Adopting Order or of the terms of this Consent Decree shall constitute a separate violation of a Bureau order, entitling the Bureau to exercise any rights and remedies attendant to the enforcement of a Bureau order.

10. **Termination of Investigation.** In express reliance on the covenants and representations in this Consent Decree and to avoid further expenditure of public resources, the Bureau agrees to terminate its Investigation on the Effective Date. In consideration for the termination of the Investigation, DRS Technologies agrees to the terms, conditions, and procedures contained herein. The Bureau further agrees that in the absence of new material evidence, the Bureau will not use the facts developed in the Investigation through the Effective Date of the Consent Decree, or the existence of this Consent Decree, to institute, on its own motion, or refer to the Commission any new proceeding, formal or informal, or take on its own motion or refer to the Commission, any action against DRS Technologies or Finmeccanica concerning the matters that were the subject of the Investigation. The Bureau also agrees that in the absence of new material evidence it will not use the facts developed in the Investigation through the Effective Date of this Consent Decree, or the existence of this Consent Decree, to institute on its own motion any proceeding, formal or informal, or to take on its own motion or refer to the Commission, any action against DRS Technologies or Finmeccanica with respect to their basic qualifications, including their character qualifications to be a Commission licensee or to hold or control Commission authorizations.

11. **Compliance Plan.** DRS Technologies agrees to maintain a Compliance Plan intended to ensure future compliance with the Act, the Rules, and the Commission's Orders. The Compliance Plan shall include, at a minimum, the following components:

- a. **Compliance Officer.** Within 60 calendar days of the Effective Date, DRS Technologies will designate a Compliance Officer who will administer the Compliance Plan, supervise DRS Technologies' compliance with the Act and the Rules, and serve as the point of contact on behalf of DRS Technologies for all FCC-related compliance matters.
- b. **Compliance Manual.** Within 60 calendar days of the Effective Date, the Compliance Officer will develop and distribute a Compliance Manual to employees and others who perform duties at DRS Technologies that relate to or may relate to FCC compliance-related responsibilities, as well as to any of such employees' immediate managers. The Compliance Manual will include (i) an overview of the Commission's licensing requirements, including the need for prior approval for license assignments and transfers of control and prior authorization to operate experimental licenses; (ii) a description of the regulatory requirements applicable to the accurate reporting of information in FCC applications; and (iii) instructions regarding due diligence for filing FCC license and transfer of control applications. DRS shall update the Compliance Manual from time to time to reflect changes to relevant sections of the Act, Rules, and Commission orders, and as otherwise needed.
- c. **Compliance Training Program.** Within 90 calendar days of the Effective Date, DRS Technologies shall provide training and compliance materials to those employees and others who perform duties at DRS Technologies that relate to or may relate to FCC compliance-related responsibilities, as well such employees' immediate managers. DRS will also provide training and compliance materials to new and reassigned employees engaged in these activities, within 60 calendar days after assuming these responsibilities. The Compliance Training Program shall be provided on an annual basis. Additionally, DRS Technologies shall update the Compliance Training Program as necessary and appropriate to reflect changes to relevant sections of the Act, Rules, and Commission orders, and as otherwise needed.

- d. **Compliance Reports.** DRS Technologies will submit a Compliance Report to the Commission 90 calendar days after the Effective Date and annually thereafter on the anniversary of the Effective Date until the Termination Date. Each Compliance Report will include a certification by the Compliance Officer, as an agent of and on behalf of DRS Technologies, stating that he/she has personal knowledge that: (i) DRS Technologies has established operating procedures intended to ensure compliance with the terms and conditions of this Consent Decree and with sections 301 and 310(d) of the Act and sections 1.948, 5.53(a), 5.59(d), and 25.119 of the Rules, together with an accompanying statement explaining the basis for the certification; (ii) DRS Technologies has been utilizing those procedures since the previous Compliance Report was submitted; and (iii) the Compliance Officer is not aware of any instances of non-compliance with the Consent Decree or those specified sections of the Act or the Rules. The certification must comply with section 1.16 of the Rules and be subscribed to as true under penalty of perjury in substantially the form set forth therein. If the Compliance Officer cannot provide the requisite certification, he/she shall provide the Commission with a detailed explanation of: (i) any instances of non-compliance with this Consent Decree and those specified sections of the Act and the Rules, and (ii) the steps that DRS Technologies has taken or will take to remedy each instance of non-compliance and to ensure future compliance, and (iii) the schedule on which proposed remedial actions will be taken. All Compliance Reports shall be directed to the Chief, Investigations and Hearings Division, Enforcement Bureau, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.
- e. **Termination.** The requirements relating to the Compliance Plan shall expire 36 months after the Effective Date.

12. **Voluntary Contribution.** DRS Technologies agrees that it will make a voluntary contribution to the United States Treasury in the total amount of \$30,000. The payment shall be made within 30 business days after the Effective Date of the Adopting Order. The payment shall be made by check or similar instrument, payable to the Order of the Federal Communications Commission. The payment must include the Account Number and FRN referenced in the caption to the Adopting Order. Payment by check or money Order may be mailed to Federal Communications Commission, P.O. Box 979088, St. Louis, MO 63197-9000. Payment by overnight mail may be sent to U.S. Bank – Government Lockbox #979088, SL-MO-C2-GL, 1005 Convention Plaza, St. Louis, MO 63101. Payments by wire transfer may be made to ABA Number 021030004, receiving bank TREAS/NYC, and account number 27000001. For payment by credit card, an FCC Form 159 (Remittance Advice) must be submitted.

When completing the FCC Form 159, enter the NAL/Account number in block number 23A (call sign/other ID), and enter the letters “FORF” in block number 24A (payment type code). DRS Technologies will also send electronic notification within 48 hours of the date payment is made to Gary Schonman at Gary.Schonman@fcc.gov and to Pam Slipakoff at Pam.Slipakoff@fcc.gov.

13. **Waivers.** DRS Technologies agrees to waive any and all rights it may have to seek administrative or judicial reconsideration, review, appeal or stay, or to otherwise challenge or contest the validity of this Consent Decree or the Adopting Order, provided the Consent Decree is adopted without change, addition, modification, or deletion. DRS Technologies shall retain the right to challenge Commission interpretation of the Consent Decree or any terms contained herein. If either Party, or the United States on behalf of the Commission, brings a judicial action to enforce the terms of the Adopting Order, neither DRS Technologies nor the Commission shall contest the validity of the Consent Decree or the Adopting Order, and DRS Technologies shall waive any statutory right to a trial *de novo*. DRS Technologies hereby agrees to waive any claims it may otherwise have under the Equal Access to Justice Act, 5 U.S.C. § 504 and 47 C.F.R. § 1.1501 *et seq.*, relating to the matters addressed in this Consent Decree.

14. **Invalidity.** In the event that this Consent Decree in its entirety is rendered invalid by any court of competent jurisdiction, it shall become null and void and may not be used in any manner in any legal proceeding.

15. **Subsequent Rule or Order.** The Parties agree that if any provision of the Consent Decree conflicts with any subsequent rule or order adopted by the Commission (except an order specifically intended to revise the terms of this Consent Decree to which DRS Technologies does not expressly consent) that provision will be superseded by such Commission rule or order.

16. **Successors and Assigns.** DRS Technologies agrees that the terms and conditions of this Consent Decree shall be binding on its successors, assigns, and transferees.

17. **Final Settlement.** The Parties agree and acknowledge that this Consent Decree shall constitute a final settlement between the Parties. The Parties further agree that this Consent Decree does not constitute either an adjudication on the merits or a factual or legal finding or determination regarding any compliance or noncompliance with the requirements of the Act or the Commission's Rules and Orders.

18. **Modifications.** This Consent Decree cannot be modified without the written consent of both Parties.

19. **Paragraph Headings.** The headings of the paragraphs in this Consent Decree are inserted for convenience only and are not intended to affect the meaning or interpretation of this Consent Decree.

20. **Authorized Representative.** Each Party represents and warrants to the other that it has full power and authority to enter into this Consent Decree.

21. **Counterparts.** This Consent Decree may be signed in counterparts (including by facsimile), each of which, when executed and delivered, shall be an original, and all of which counterparts together shall constitute one and the same fully executed instrument.

By: \_\_\_\_\_

P. Michele Ellison  
Chief, Enforcement Bureau  
Federal Communications Commission

By: \_\_\_\_\_

Mark A. Dorfman  
Executive Vice President,  
General Counsel and Secretary  
DRS Technologies, Inc.

Date: \_\_\_\_\_

Date: \_\_\_\_\_