Prior to March 31, 2011, Northrop Grumman Shipbuilding, Inc. (NGSB), the organization connected to the Northrop Grumman Shipbuilding Political Action Committee (SHIPPAC), was operated as a wholly owned subsidiary of Northrop Grumman Corporation (NGC). Because NGSB was previously wholly-owned by NGC, SHIPPAC, in its filings with the Commission, reflected that SHIPPAC was a political committee connected to NGC, and therefore was a political committee affiliated with the Employees of Northrop Grumman Political Action Committee (ENGPAC), the separately segregated fund connected to NGC.

On March 31, 2011, NGC spun off its shipbuilding business into a publically traded, independent corporation, Huntington Ingalls Industries, Inc. (HII). As part of corporate restructuring and spin off, the assets of NGSB, the connected organization to SHIPPAC, were transferred to HII and NGSB became a wholly owned subsidiary of HII.

Thus, as of March 31, 2011:
(i) NGC no longer owns a controlling interest in HII or any of its subsidiaries;
(ii) NGC has no authority or ability to direct or participate in the governance of HII;
(iii) NGC has no authority or ability to hire, appoint, demote or otherwise control the officers or employees of HII;
(iv) There are no overlapping members of ENGPAC and SHIPPAC;
(v) There are no common officers or employees of NGC and HII;
(vi) There are no common directors of NGC and HII;
(vii) Neither HII nor NGC provides any funds to the others political action committee;
(viii) Neither HII nor NGC had any formal role in the establishment of the others political action committee; and
(ix) HII makes contributions independent of and without consulting NGC.

On March 31, 2011, SHIPPAC filed an amended Form 1, Statement of Organization, showing HII as its new connected organization. In its filing, SHIPPAC no longer listed ENGPAC as an affiliated committee because ENGPAC and SHIPPAC were no longer affiliated, as that term is defined in 11 C.F.R. 100.5(g)(2) following NGCs restructuring and spin-off of HII. We request that the Commission update its records to recognize that SHIPPAC became disaffiliated from ENGPAC as of March 31, 2011, and further that the shared contribution limits applicable to affiliated committees do not apply to contributions made by ENGPAC and SHIPPAC after March 31, 2011.

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