

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Paramount Global Seeks Foreign Ownership)	MB Docket No. 26-93
Declaratory Ruling Pursuant to Section)	
310(b)(4) of the Communications Act of)	
1934, as Amended)	
)	

COMMENTS OF FREE PRESS

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I. Introduction and Summary.

Earlier this year Paramount Skydance (“Paramount,” or “Petitioner”) struck a deal to acquire Warner Bros. Discovery, Inc. (“WBD”), in a massive media merger with a transaction value of more than \$110 billion. If it manages to survive federal and state antitrust review, this deal would significantly increase concentration in the already highly concentrated studio production market, cement a Paramount/Disney duopoly in linear cable programming, and further concentrate the subscription streaming video market at a time when prices are already sharply increasing.

Normally this transaction would not require any type of Commission review, as WBD holds no FCC licenses. However, this transaction is far from normal. Paramount’s quarter-trillionaire owner apparently did not want to foot the entire bill to acquire WBD, a company notorious more for being repeatedly and unsuccessfully bought than for its creative output. So Paramount has teamed up with the sovereign wealth funds of three foreign governments in order to pay off WBD’s shareholders,¹ with a nearly billion dollar golden parachute for the company’s outgoing CEO.² And because Paramount chose to acquire WBD with the financial backing of these foreign governments, Paramount now seeks a Commission waiver of the Communications Act’s cap on foreign ownership of domestic firms that hold FCC common carrier, broadcast, or aeronautical licenses.³

¹ *Paramount Global Seeks Foreign Ownership Declaratory Ruling Pursuant to Section 310(b)(4) of the Communications Act of 1934, as Amended*, MB Docket No. 26-93, Public Notice, DA 26-411, at 2 n.16 (rel. Apr. 27, 2026) (“*Notice*”). These three foreign governments are Saudi Arabia, Abu Dhabi, and Qatar.

² Jill Goldsmith, “WBD Shareholders Nix David Zaslav’s Massive Golden Parachute In Paramount Merger: Too Bad Vote Is Non-Binding,” *Deadline* (Apr. 23, 2026).

³ *Notice* at 1-2.

But as we discuss in these comments, Paramount has not met the very high bar for waiver of the Communications Act's cap on foreign ownership levels for domestic broadcasting outlets. Paramount does not need to acquire WBD in order to continue to operate the CBS network and its local broadcast stations. The transaction does not even come with the promise of trickle-down "synergies" that media and telecom companies often tout as consumer benefits offsetting deals that are plainly harmful to the public interest. Indeed, this deal is highly leveraged, and involves acquisition of a company that had \$20 billion in net income losses over the prior five years. Paramount will need to make significant cuts at CBS Network and its local broadcast affiliates if it has any hope of improving that balance sheet. Because of this over-leveraging, what is today poised to be a 49.5 percent foreign ownership stake could quickly become a majority stake, and result in major U.S. national and local news operations owned by governments that have, a terrible track record when it comes to respecting the freedom of the press and its role in preserving democratic values.

Paramount has not demonstrated that a waiver of the foreign ownership cap would be in the public interest. Paramount's unusual financial arrangement with autocratic foreign governments is simply not necessary, either for the continued operation of CBS Network and its local broadcast TV stations, or for the completion of the WBD deal. We urge the Commission to reject the waiver request and enforce the law by restricting the foreign ownership stake in Paramount's FCC licenses to no more than 25 percent of the total equity.

II. Paramount Fails to Demonstrate that Waiver of Section 310(b)(4) Would Serve the Public Interest.

A. The Communications Act and the Commission's Rules Set a Very High Bar for Granting Waiver Requests, Particularly Waivers of the Prohibition on Foreign Ownership of Domestic Broadcasting Assets.

Section 310(b)(4) prohibits “any corporation directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country” from holding a broadcast license “if the Commission finds that the public interest will be served by the refusal or revocation of such license.”⁴ Though the last clause in Section 310(b)(4) suggests that a negative public interest finding is required prior to enforcement, the Commission has formally clarified that “the 25 percent foreign ownership benchmark in Section 310(b)(4) may be exceeded only after the Commission affirmatively finds that the aggregate foreign ownership of a licensee’s controlling U.S. parent company in excess of that amount is in the public interest.”⁵ This is because the Commission “has traditionally viewed the 25 percent benchmark for foreign ownership and voting interests in U.S.-organized entities that control broadcast licensees as the presumptive limit consistent with the public interest.”⁶

Therefore, the Commission’s practice for consideration of Section 310(b)(4) waiver petitions is to treat such requests for broadcast licenses differently than those for common carrier

⁴ 47 U.S.C. § 310(b)(4).

⁵ See *In the Matter of Review of Foreign Ownership Policies for Broadcast, Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the Communications Act of 1934, as Amended*, GN Docket No. 15-236, Report and Order, 31 FCC Rcd 11272, 11310 n.216 (2016) (emphasis added); see also “Foreign Ownership Guidelines for FCC Common Carrier and Aeronautical Radio Licenses,” International Bureau, 19 FCC Rcd 22612, 22638 (2004) (“Section 310(b)(4) of the Act requires the Commission to make an affirmative finding that foreign ownership of an applicant’s or licensee’s U.S. parent company in excess of 25 percent is in the public interest.”) (emphasis added).

⁶ See *In the Matter of Commission Policies and Procedures Under Section 310(b)(4) of the Communications Act, Foreign Investment in Broadcast Licensees*, MB Docket No. 13-50, Declaratory Ruling, 28 FCC Rcd 16244, 16245, ¶ 3 (2013) (“2013 Declaratory Ruling”).

or aeronautical licenses.⁷ This differential treatment is in recognition of Congress’s concern – according to the Commission – about “the airing of foreign propaganda on broadcast stations”⁸ and the Commission’s own “heightened concern for foreign influence over or control of licensees which exercise editorial discretion over the content of their transmissions.”⁹

Waiver requests are not meant to be doled out like candy on Halloween. Waiver applicants “face[] a high hurdle even at the starting gate”¹⁰ and must support their request with a “compelling showing.”¹¹ To receive a waiver under the Commission’s rules, petitioners must demonstrate that “the underlying purpose of the rule(s) would not be served or would be frustrated by application to the instant case, and that a grant of the requested waiver would be in the public interest.”¹² Or demonstrate that “in view of unique or unusual factual circumstances of the instant case, application of the rule(s) would be inequitable, unduly burdensome or contrary to the public interest, or the applicant has no reasonable alternative.”¹³ And as courts have

⁷ See *In the Matter of Cable & Wireless, Inc.*, Declaratory Ruling and Memorandum Opinion and Order, Authorization and Certificate, 10 FCC Rcd 13177, 13179, ¶ 18 (1995) (“[T]he Commission traditionally has found that alien ownership of common carrier radio licensees raises far fewer policy concerns than that of radio broadcast licensees. We have concluded that concern about the effect of alien ownership is lessened when common carrier radio licenses are involved because they are ‘passive’ in nature and there is no control over the content of transmission.”).

⁸ *2013 Declaratory Ruling* ¶ 2.

⁹ See *In the Matter of Market Entry and Regulation of Foreign-Affiliated Entities*, IB Docket No. 95-22, Notice of Proposed Rulemaking, 10 FCC Rcd 4844, 4884, ¶ 99 (1995).

¹⁰ *WAIT Radio v. FCC*, 418 F.2d 1153, 1157 (D.C. Cir. 1969).

¹¹ *Greater Media Radio Co., Inc., Application for Review for Construction Permit and Related Short-Spacing Waiver Requests for Station WPLY(FM), Media, Pennsylvania*, Memorandum Opinion and Order, 15 FCC Rcd 7090, ¶ 9 (1999).

¹² 47 C.F.R. § 1.925(b)(3)(i).

¹³ *Id.* § 1.925(b)(3)(ii).

repeatedly affirmed, a waiver is appropriate only if both “(1) special circumstances warrant a deviation from the general rule, and (2) such deviation better serves the public interest.”¹⁴

As we discuss below, Paramount has not met this standard. While Paramount is pulling out all of the political stops to ensure that the Trump administration blesses its WBD acquisition, the Commission is bound by a very clear statute that strongly disfavors foreign government control over domestic broadcasting outlets. As the D.C. Circuit has noted, “an agency must adhere to its own rules and regulations. *Ad hoc* departures from those rules, even to achieve laudable aims, cannot be sanctioned, or therein lie the seeds of destruction of the orderliness and predictability which are the hallmarks of lawful administrative action. Simply stated, rules are rules, and fidelity to the rules which have been properly promulgated, consistent with applicable statutory requirements, is required of those to whom Congress has entrusted the regulatory missions of modern life.”¹⁵

B. Paramount Fails to Demonstrate that Acquisition of Warner Bros. Discovery, Inc. is Necessary to Promote the Public Interest in its Operation of CBS Broadcast TV Stations. Paramount also Fails to Demonstrate that Foreign Government Ownership of these Assets Would Serve the Public Interest.

In its Petition, Paramount argues that the Commission should ignore Congress’s statutory limit on foreign ownership and allow foreign governments to collectively own “up to 100 percent”¹⁶ of Paramount, the parent company of the CBS broadcast network and 28 FCC-licensed full-power commercial U.S. broadcast television stations.¹⁷ Paramount states that

¹⁴ See *In the Matter of Connect America Fund, Rural Digital Opportunity Fund, Rural Digital Opportunity Fund Auction*, WC Docket No. 10-90 *et al.*, Order, DA 26-342, ¶ 11 (2026) (citing *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990)).

¹⁵ *Reuters Ltd. v. FCC*, 781 F.2d 946, 950-51 (D.C. Cir. 1986) (internal citations omitted).

¹⁶ Notice at 3.

¹⁷ Paramount holds 31 broadcast licenses, which include 28 full-power TV stations, one Class-A digital TV station, and two low-power digital translator stations. See *id.* at 8-9.

the Commission should grant its extraordinary waiver request because it would “afford Paramount and, in turn, the Licensees, greater access to capital, including from foreign sources,” which Paramount claims would enable it to “compete more effectively in the provision of television broadcast services and in the broader video programming marketplace.”¹⁸

This standard “pity the poor broadcaster” rhetoric is especially galling coming from a company controlled by one of the richest families in human history.¹⁹ There has never been a U.S. broadcasting company with as much “access to capital” as Paramount currently can find from its controlling shareholder.²⁰ Indeed, after WBD decided to accept a merger offer from Netflix, Paramount upped its initial offer by more than \$5 billion, including paying Netflix \$2.8 billion just to walk away from its deal. Access to domestic capital is clearly not an issue for Paramount.

Petitioner’s request is all the more extraordinary, because Paramount is not seeking FCC approval for, and has not filed a Form 314 application seeking the transfer of any licenses in connection with the WBD transaction. WBD has no such licenses.²¹ The ownership structure of Paramount’s equity is changing, but not because the company is soliciting new investment to

¹⁸ *Id.* at 4.

¹⁹ According to Bloomberg’s “Billionaires Index,” Paramount Skydance CEO David Ellison’s father Lawrence J. Ellison, who is Paramount’s majority interest holder, had a net worth of \$247 billion as of May 25, 2026.

²⁰ According to its most recent quarterly report filed with the SEC, the Ellison family held 77.5 percent of the Class A common stock of Paramount Skydance. *See* Paramount Skydance Form 10-Q at 10 (May 4, 2026). According to the Amended Comprehensive Exhibit filed with the Commission in conjunction with Skydance’s application to acquire Paramount Global’s FCC licenses, through a series of intermediaries and trusts, Lawrence J. Ellison held a 77.5 percent voting and equity interest in the merged firm upon closing. *See Applications for Consent to the Transfer of Control of Paramount Global*, MB Docket No. 24-275, LMS File Nos. 0000252521, *et al.*, Amended Comprehensive Exhibit at 3 (Aug. 29, 2024).

²¹ *Notice* at 3 (“Paramount explains that the Proposed Investment will ‘not result in a transfer of control of Paramount’ . . . Therefore, Paramount notes that ‘no other application is being filed in connection with this Petition.’”).

improve the CBS Network or any of its 28 broadcast stations. This waiver request is only necessary because the leaders of the former Skydance company are on a media-buying blitz, taking advantage of the current executive branch's willingness to engage in blatantly political *quid pro quo* transaction reviews without any actual concern for the public interest. And instead of footing the entire bill for their media empire-building endeavors, the Ellison family solicited financing from foreign governments.

Generic rhetoric does not meet the extraordinarily high bar for a waiver of Section 310(b)(4) that would allow foreign governments to control up to 100 percent of one of the Big 4 U.S. broadcasting networks and station owners. Paramount does not need to acquire WBD in order to continue profitably operating the CBS network and its local broadcast stations. None of the 28 stations are "failing" or "failed,"²² and the broadcasting business is a bright spot in Paramount Skydance's corporate portfolio.²³ And even if it were the case that Paramount Skydance's acquisition of WBD would serve the public interest, the Petitioner has not demonstrated that there are no other lawful methods of financing the transaction other than obtaining a waiver so that three foreign governments can hold up to 100 percent of the equity interests in these domestic broadcasting operations.

In sum, Petitioner has failed to demonstrate that this transaction is in the public interest, and has not demonstrated that the public interest would be served by a Commission waiver of Section 310(b)(4).

²² See 47 C.F.R. § 73.3555 Note 7. Though it is applied in the context of waiving its multiple ownership rules, the inapplicability of the Commission's failing station waiver to Petitioner's request is instructive, as it illustrates the type of circumstances that are necessary for a waiver of FCC rules concerning licenses to operate over scarce broadcast airwaves.

²³ During the first three months of 2026, Paramount Skydance's "TV Media" segment, of which CBS network and the broadcast stations are a part, accounted for 50 percent of the firm's total revenues, and 98 percent of the company's net EBITDA.

III. Paramount Fails to Demonstrate that Waiver of Section 310(b) Would Not Harm the Public Interest.

Paramount has not only failed to demonstrate that this transaction's financial structure is affirmatively in the public interest, it has failed to demonstrate that a waiver of Section 310(b) would not harm the public interest. Paramount will begin its ownership of WBD with nearly \$80 billion in debt, which will require deep cuts to Paramount's pre-merger holdings and existing operations. These cuts will negatively impact the public interest, particularly at Paramount's broadcast units. Indeed, when issuing a warning that it will cut Paramount's credit rating to junk status following the merger, S&P Global concluded that Paramount "will manage the linear TV business for margins, cutting content costs on an ongoing basis."²⁴ This cost-cutting may still be insufficient, especially if there's any broader macroeconomic downturn.²⁵ Thus not only will Paramount's massive debt to foreign governments necessitate deep cuts that could negatively impact its national and local news operations, these same foreign governments will likely be where Paramount turns if it needs more capital. That is how a 49.5 percent stake quickly becomes a majority stake.

While Paramount goes to great lengths to provide assurances that the foreign governments financing this deal will have no control or say over CBS Network and Paramount's 28 FCC licensed full-power TV stations, foreign governments don't write checks for tens of billions of dollars in exchange for a share of a business with declining revenues. Permitting foreign governments to own U.S. news media and broadcast licenses is not a routine situation

²⁴ "Paramount Skydance Corp. 'BB+' Rating Affirmed; Ratings Remain On CreditWatch Negative," *S&P Global* (May 19, 2026).

²⁵ *Id.* ("We believe there is risk that deleveraging could be slower than forecast due to missteps in integrating and transforming the new company, an acceleration in secular trends, and geopolitical or macroeconomic factors. The history of the media and entertainment sector is fraught with large mergers that did not realize the anticipated benefits or took longer than expected to achieve synergies and integration.").

that Congress intended the FCC to approve via waiver. Control over for-profit, commercial domestic news media by any government is an extraordinary situation that would surely strike most Americans as unseemly, precisely because of the utility of the news media as a propaganda tool for those governments. And these particular foreign investment funds have a track record of using investment as a tool of soft power, sinking money into high-profile endeavors in order to whitewash their poor human rights records, including a very poor record when it comes to press freedom.²⁶ The foreign investment funds will have literal and metaphorical leverage over Paramount, and the ultimate price that Paramount will have to pay for this financial backing may involve more than just money.

V. Conclusion

The Commission is not being asked to approve a routine waiver of its rules, but “up to 100 percent” foreign ownership of a major U.S. over-the-air broadcasting network and broadcast TV stations reaching tens of millions of Americans. Allowing any government, including foreign governments that have a hostile stance towards press freedom, to control such a large share of Paramount would run counter to the public interest. We strongly urge the Commission to enforce the law and reject Paramount’s petition.

Respectfully Submitted,

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²⁶ “The Man Who Bought The World: Rights Abuses Linked to Saudi Arabia’s Public Investment Fund and Its Chairman, Mohammed bin Salman,” *Human Rights Watch* (Nov. 2024).