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WHAT THE INDUSTRY READS FIRST

White Flag: Paramount's Reason for Settling Trump Lawsuit

With news breaking overnight of **Paramount Global's** \$16 million settlement of President *Trump's* "60 Minutes" lawsuit, the company couldn't ignore the elephant in the room during its annual shareholder meeting Wednesday morning, which also saw the election of the company's board of directors, including Chair *Shari Redstone*, and a briefing on content wins across its platforms.

Paramount Global Co-CEO and **CBS** President/CEO *George Cheeks* explained why the company decided to settle, saying it wants to "avoid the high and somewhat unpredictable cost of legal defense, the risk of an adverse judgment that could result in significant financial as well as reputational damage and the disruption to business operations that prolonged legal battles can cause." Cheeks added that "the settlement offers a negotiated resolution that allows companies to focus on their core objectives, rather than being mired in uncertainty and distraction."

Paramount will pay \$16 million to settle *Trump's* lawsuit alleging the 60 Minutes segment featuring former VP *Kamala Harris* was deceptively edited to make his 2024 election opponent look good. *Trump* originally sued for \$20 million, claiming he suffered mental anguish. Paramount said in a statement that "no amount will be paid directly to President *Trump*." Instead, the money will be paid to *Trump's* future presidential library and will also cover his legal fees and costs. The settlement will not include a formal apology from Paramount, but in the future, the company will release transcripts of interviews with U.S. presi-

dential candidates after those segments have aired. *Trump's* legal team called the settlement "another win for the American people" that "holds the Fake News media accountable for their wrongdoing and deceit." In December, **ABC** struck a similar \$16 million deal to settle a defamation suit brought by *Trump*.

With the *Trump* lawsuit resolved, next on the docket for Paramount will be the proposed \$8 billion merger with **Skydance Media**. The deal is still awaiting regulatory approvals from the **FCC**, which is also reviewing a news distortion complaint against CBS for the 60 Minutes interview with *Harris*. Paramount said the settlement is "completely separate from, and unrelated to, the Skydance transaction and the FCC approval process." But FCC Commissioner *Anna Gomez* isn't convinced, calling it "a desperate move" to make nice with the *Trump* administration in order to push the Paramount-Skydance deal through. "For months, it has been clear that this lawsuit was entirely meritless, just like the complaint now before the Commission ... Had Paramount chosen to fight this in court, they would have prevailed on the facts and the law," *Gomez* said in a statement. The commissioner called for a full commission vote on the merger "given the extraordinary public interest in this deal, the novel legal questions raised by the lawsuit and its resolution and the repeated calls from lawmakers for transparency."

Sen *Ed Markey* (D-MA), who sits on the **Senate Commerce Committee**, echoed *Gomez's* sentiments, calling the settlement "a blow to journalistic independence" and adding that the timing of the FCC's review to the merger "raises serious

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Carr Has Hard Hat, Will Travel

Known for years as the **FCC's** unofficial pole climber, *Brendan Carr* naturally had to kick things off Wednesday with a quick 200-foot tower climb with *Brandon Foster*, **VIKOR's** Director of Safety and Field Operations. However, the day before, he went up in a bucket at a **Midco** construction site in Sioux Falls where he lashed new aerial fiber. "It was a lot of fun. They actually trusted me to get up in the bucket truck by myself, which was great. Kind of like a little video game, but I found my way up there eventually," Carr said. He later ran a drill pulling conduit for a new fiber line in another Midco project. "It's great to be back in Sioux Falls and spend time on the ground with these amazing crews working to expand America's high-speed internet," Carr said. "As FCC Chairman, I want to make it easier for technicians in Sioux Falls and all across the country to build out new networks and modern infrastructure. We appreciate all their hard work and effort to advance next generation connectivity." Carr goes way back with VIKOR's Foster, who accompanied the regulator on his first tower climb in 2018. The now FCC Chair has made several higher ascents since then, including a 2,000-foot tower in Rowena, South Dakota, with Foster in 2023. "I was admittedly a little shaky on that first climb. And it certainly didn't help when the other climber we were with, *Leland*, started trying to shake the platform up top. But from that day forward, I've considered Brandon a good friend and Leland, well, just a so-so friend," Carr joked during his unveiling of his "Build America" agenda.



questions" about the Commission's independence. Meanwhile, Sen *Elizabeth Warren* (D-MA) called for a "full investigation into whether or not any anti-bribery laws were broken" in the settlement. Warren also plans to introduce legislation to "rein in corruption" via presidential library donations.

Little was said about the merger during or after last week's [FCC Open Meeting](#) except that the FCC was continuing its normal review process of the potential transaction. FCC Chair *Brendan Carr* previously said that the commission's review was not tied to the Trump lawsuit.

In May, the **Freedom of the Press Foundation**, which is a Paramount Global shareholder, threatened to [sue](#) Paramount if it chose to settle with Trump, sending a letter to Redstone, who, according to [The New York Times](#), favored exploring a settlement. (Redstone is said to have recused herself from the decision-making on the matter.) FPF Director of Advocacy *Seth Stern* tells **CFX**, "We've already filed a shareholder information demand and are sending a second demand today to uncover information about this decision. With that information, we will continue to pursue our legal options to stop this affront to Paramount shareholders, CBS reporters and the First Amendment. Paramount directors should be held accountable and we will do all we can to make that happen."

Much has been reported about disagreements within the walls of Paramount and CBS News regarding what to do about the Trump lawsuit. CBS News chief *Wendy McMahon* followed 60 Minutes exec producer *Bill Owens* out the door in May, writing in

a memo to staff that she was moving on because "it's become clear that the company and I do not agree on the path forward." Longtime 60 Minutes correspondent *Scott Pelley* said in June that a deal with Trump would be "very damaging" to the reputation of CBS and Paramount.

Another party not happy about the Paramount-Skydance merger drama: *Trey Parker* and *Matt Stone*, the creative duo behind **Comedy Central's** long-running animated satire "South Park." The creators said on [X](#) that the merger was to blame for the delay of the Season 27 premiere, which was pushed from July 9 to July 23. We shudder to think what Cartman might have to say about today's deal.

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FCC'S CARR OUTLINES POLE REFORM IN BUILD AMERICA SPEECH

Permitting and pole attachment reform are front and center in **FCC** Chairman *Brendan Carr's* "Build America" agenda, with the Commission set to vote this month on an item that he pledged will provide more "concrete timelines for large batch requests" for pole attachments. The FCC is expected to release the specific details Thursday. **NCTA** has recommended the FCC establish an additional 45-days to the current timelines for performance of surveys and make-ready on pole attachment orders exceeding the lesser of 3,000 poles or 5% of poles in a state, up to the lesser of 6,000 poles or 10% of the utility's poles in the state. Carr delivered his first

major policy address Wednesday at the Sioux Fall, S.D. HQ of telecom infrastructure construction firm **VIKOR**, where he also promised the agency would look at streamlining some of the regulations around the **National Environmental Policy Act** (NEPA), which requires federal agencies to assess the potential environmental impacts of a proposed federally funded infrastructure projects (**NTIA**, under the Biden administration, ruled that includes BEAD projects). Carr suggested recent **Supreme Court** actions call NEPA regs into question. The court issued an 8-0 ruling in May that federal agencies have substantial deference in NEPA cases. Carr added that the FCC will be taking “a fresh look at how the agency might use our authorities under the Communications Act, including Section 253 and Section 332, to streamline regulatory approaches.” The July FCC meeting will include a vote to supercharge the Delete, Delete, Delete proceeding. “For this first tranche of regulations that we will vote on later this month, we will move directly to delete 40 rules or requirements, spanning more than 17 pages and 7,600 words,” Carr said in his speech, flanked by VIKOR workers. “It’s hard to believe we still have regulations for telegraph, rabbit-ear broadcast receivers and phone booths on our books. Starting this month, that will change.” The chairman’s remarks drew praise from VIKOR founder *Craig Snyder*, who said NEPA approval has been a “bane” for tower builders. Carr’s speech also mentioned that telecom providers are committing to various workforce reforms, including changing their approach to 1099 crews (independent contractors) to ensure that experienced, well-trained crews get the job at fair prices and that it becomes “harder for foreign, fly-by-night crews to sweep in and undercut the safety and security of our networks.” Snyder praised efforts for “getting rid of the illegal workforce,” which he said many may not realize has crept into the industry.

CHARTER FILES DEFINITIVE PROXY FOR \$34.5 BILLION COX DEAL

We have a definitive proxy statement for **Charter’s** planned \$34.5 billion merger with **Cox Communications**. The **SEC filing** came in at 5pm Wednesday, with the shareholder vote set for July 31. Charter is paying \$4 billion in cash to **Cox Enterprises**, \$17.9 billion in convertible preferred and partnership units for a total equity purchase price of \$21.9 billion. It is assuming \$12.6 billion in debt.

NCTA, CTA & OTHERS BAND TOGETHER AGAINST ATSC 3.0 PLAN

NCTA staffers were joined at the **FCC** last week by reps from the **Consumer Technology Association**, **Public Knowledge**, **ACA Connects**, **American Television Alliance** and **LPTV Broadcasters Association** to push the agency to reject **NAB’s** request to set an industry-wide transition to ATSC 3.0. “Each participating organization has a different perspective, but we all have a

common goal. We respectfully urge the Commission to deny **NAB’s** requests,” the groups said in a filing describing the meeting. **NCTA** reiterated that none of its cable operator members are able to carry ATSC 3.0 signals without first making costly changes to their networks. **ACAC** said the exorbitant costs would be especially difficult for its small members. **CTA** argued that if **NAB** is concerned about market demand for ATSC 3.0 tuners, it needs to assist in consumer education and promotion rather than seeking a technology mandate from the **FCC**. **Public Knowledge** contends the digital rights management and certification process creates the ability to gatekeep competition and prevent device makers from including features users might want.

FIBER FRENZY

Gateway Fiber is expanding its fiber network to the community of Cottage Grove, Minnesota. Construction is now underway on the network, which will deliver symmetrical multi-gig speeds to thousands of residents in the area. The ISP will also provide free public WiFi in some of the city’s parks.

RATINGS

In the same week it was reported **MLB** and **ESPN** are [back in talks](#) about the network staying on as a media partner, Sunday Night Baseball continued on a year of viewership improvements. Sunday’s Twins vs Tigers bout averaged 2 million viewers and peaked at 2.3 million. That’s up 66% over the comparable game last season (Rangers vs Orioles), and through 14 games, this season of Sunday Night Baseball is up 11% compared to the 2024 average. – June was another month where **Spectrum News** outpaced all broadcast and cable news networks among areas where it has distribution. **Spectrum News** posted 1.8 million daily viewing households across its linear and digital platforms. Notable coverage included **Spectrum News 1’s** updates on immigration policy protestors in downtown L.A., as well as **Spectrum News NY1’s** reporting on the NYC Democratic Mayoral Primary debate that took place June 12, which contributed to a viewership surge of 111%. –

PROGRAMMING

FX and **Disney+ Latin America** are all in on footy after the success of “Welcome to Wrexham.” **Necaxa**, one of the oldest Mexican clubs, is getting the soccer docuseries treatment next, courtesy of stakeholders *Eva Langoria* and the duo behind Wrexham, *Rob Mac* and *Ryan Reynolds*. “Necaxa” premieres on Aug. 7 on **FX** and next day on **Hulu**, with an international release via **Disney+**.

EDITORS’ NOTE

Cablefax will not be publishing Thursday, July 3, and Friday, July 4. Your next issue of **The Daily** will arrive in your inbox Monday, July 7. Have a safe and relaxing Fourth of July weekend!

Think about that for a minute...

Marching in a Circle

Commentary by Steve Effros

If there's one thing most folks in business can agree upon, it's that "uncertainty" is bad. That's very much the situation in today's political and legal climate, and particularly in our telecommunications ecosystem, it's making it almost impossible for both companies and regulators to figure out where they should be going.

Two examples today should tell the story. First, pity the "loyal" regulators. In the case of the FCC, the new Chair, Brendan Carr, made it clear very early on that he was absolutely in lock step with the President that the prior administration's insistence on using fiber optics throughout the country to end the "digital divide" was profligate and unnecessary. The President, and his most vocal supporter, Elon Musk, said that a change in direction from "all fiber" to satellite broadband distribution was called for.

Of course, it wasn't missed that the major corporate beneficiary of that proposed change in direction, to be orchestrated by the FCC, would be Musk's own SpaceX company. The FCC's marching orders were clear and it's been heading in that direction ever since.

But wait! Musk is now out of step! He's attacking the administration, suggesting he may fund an opposing set of marchers. Suddenly, the President is saying that the very organization Musk spearheaded when part of the administration, DOGE, should investigate him for improperly getting too much federal largesse. The change from "fiber" preference to satellite broadband service would represent billions of dollars for Musk's company at the same time the President is now offhandedly suggesting that Musk be sent back to South Africa!

So, how does the FCC deal with this apparent total change in the cadence of the way they were loyally marching? There's no easy answer to that. From a policy point of view, the excessive cost of putting fiber in very rural areas really doesn't make sense. But giving billions to a Musk company is now problematic from a political point of view. Do the "loyalist" marchers reverse course, keep going, or just stand still? No one knows. And telecommunications business plans will be stopped in their tracks, too, until we find out.

The legal world isn't making it any easier on telecom business plans either. The Supreme Court has just announced it's going to take up the Cox copyright case next session. In short, Cox was found liable for not doing enough, as an ISP, to prevent copyright infringement of music, even though it had been notified by copyrighted music owners that its customers were improperly downloading that music. While a \$1 billion award was thrown out by a Court of Appeals, the underlying question before the Supremes is whether the utility providing broadband service is required to "police" and prevent alleged improper use by its customers. That's a VERY big issue. If the answer is yes, it could change the entire business structure of broadband providers.

Let's remember that "Section 230" of the Communications Decency Act protects ISPs and "platform" providers, like Google, against liability from their users' conduct. Politicians have been all over the map on which way to march on this issue. Some oppose any government rules requiring "censorship." Others want far more curation of what is sent over broadband to assure it is not "fake." We know that the "Section 230" debate has not even come close to a resolution in Congress and is unlikely to in the near future. But what if the Supremes step in and support a change in the "marching orders" on at least a part of the responsibility and liability of broadband utility providers?

There are no answers here, just a recognition that from a policy and business point of view, we're likely in the near future to see a lot of marching in a circle, getting nowhere.



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