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WHAT THE INDUSTRY READS FIRST

About Last Night: Dissecting the Skydance-Paramount FCC Order

The **FCC** certainly didn't tip its cards and hint that big news was on the radar Thursday, despite hosting its monthly open meeting and Chairman *Brendan Carr* making an appearance on **Fox News**. Nonetheless, the agency's approval of **Skydance**'s $8 billion merger with **Paramount Global** was delivered that evening, and while it paints the finish line for one of the more contentious and turbulent media deals in recent years, there are still questions about what future transactions will look like—or need—in order to gain the necessary approvals.

According to the FCC's order, it grants Skydance control of Paramount from its current majority shareholder, **National Amusements** (NAI). Paramount and Skydance will become affiliates and subsidiaries of a new public holding company, **New Pluto Global (New Paramount).** NAI will own 100% of the voting interests in New Paramount, but be acquired by **RedBird Capital** and the *Ellison* family. *David Ellison*, who'll be New Paramount's Chairman/CEO, will hold 64.5% of the voting interests through entities under his control, while the other 35.5% will be held by **Sayonara**—overseen by David's father and Oracle co-founder *Larry Ellison*.

"After carefully and thoroughly reviewing the record, we find that there are no material public interest harms arising from the transaction," the FCC's order read. "We further find that certain transaction-related public interest benefits are likely to be realized, based on Skydance's promised injection of new capital, thereby bolstering the operations of the CBS owned-and-operated broadcast television stations and its reaffirmed commitment to localism, viewpoint diversity and fair, unbiased, and fact-based reporting."

The Commission also OK'd a request for a continuing satellite waiver of the FCC's Local TV Multiple Ownership Rule in the Minneapolis Nielsen DMA. Although the order noted a number of objections raised during the FCC's review, such as concerns of job cuts, foreign influence and increased leverage versus MVPDs, no additional conditions were attached to the deal.

On Friday, Paramount and Skydance announced they expect the transaction to close on Aug. 7.

While the approval of Paramount-Skydance is significant, it doesn't clear up an ambiguous picture for future M&A in the media space. Former FCC Chief of Staff and **New Street Research** analyst *Blair Levin* told ***CFX*** that future deals will come, given that ownership rules are going to be modified. However, Thursday's order failed to give ample guidance for stakeholders trying to plan for what future deals will require, specifically in regards to what the Carr and the FCC mean by "public interest."

"I think the big point is the whole thing is premised on the public interest framework, and the public interest is never defined," Levin said. "Lawyers understand that, and you see this in various Supreme Court jurisprudence, that you have to have both an intelligible principle to a rule and you have to have a limiting principle to a rule. And I find neither here. I do not know what they mean by the public interest."

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There's also an unclear runway for how long these deals should be expected to take until approval, which naturally coincides with the question of how high the costs might rise. Another aspect Levin sees companies keeping in consideration is what he calls the "Trump transaction tax," an aspect he dove into in a recent editorial. If the government steps into a deal, it drives media values down.

With more deals to be made, it's a matter of time before more insight is given into the processes and conditions that goes into modern media M&A.

"I am quite certain Brendan Carr will raise the national [broadcast ownership] cap. I don't know the number he'll raise it to, [but] I also don't know what the courts will do with that," Levin said. "On the local side, the top-four rule is going to go away. So that's a big, important issue. The DOJ may have some concerns about certain deals, but we'll see … the big question mark is, what is the future of broadcasting?"

PARAMOUNT-SKYDANCE WRAP-UP

After a long drawn out approval process that must have felt like time standing still for both parties, **Skydance** Media and **Paramount Global** finally got the **FCC** go-ahead to proceed with their $8 billion deal to merge. The thumbs up came after Paramount settled a $16 million *Trump* lawsuit concerning the editing of a "60 Minutes" segment featuring *Kamala Harris*. This week, Skydance also sent letters to the FCC committing to ax any DEI initiatives at Paramount and put in place an ombudsman for **CBS**. So what now that there's a greenlight for New Paramount? Change. Skydance CEO *David Ellison* will lead the new company as CEO, with *Jeff Shell* as incoming President of Paramount. As far as Paramount's current management, which includes a triumvirate of Co-CEOS (how very Rome-before-dictatorship of them), *Chris McCarthy* and *Brian Robbins* are expected to depart once the acquisition is complete, while CBS President/CEO *George Cheeks* will stay on, per *Deadline*. Other succession plans are in flux, but one position officially filled this week is that of "60 Minutes" executive producer. *Tanya Simon*, a 25-year veteran of the news show, will be the first woman to run it, after being named interim exec producer in April following *Bill Owens*' resignation. Also on New Paramount's programming docket will be what to do about *Jon Stewart* over at **Comedy Central**. "The Daily Show" host hasn't been shy in his criticisms of Paramount's decision to settle with Trump and to cancel "The Late Show," which also means the end of pal *Stephen Colbert*'s time at CBS. Stewart said last week that he hadn't heard anything from Skydance about his future at the network, and on Monday he said on the air, "I'm not going anywhere, I think." Speculation abounds on whether Stewart is headed for the chopping block, but we're certainly wondering how long new leadership will put up with the host's jabs at the president. (We're also curious about "South Park" creators *Trey Parker* and *Matt Stone*, who roasted pretty much everyone involved in the Paramount-Skydance business, including Trump, in the Season 27 premiere, although a new five-year overall deal inked this week suggests the show's future is secure.) Colbert has through next May to go scorched earth in the late-night slot, but there's no guarantee Stewart would be afforded the same amount of time before being pulled, especially considering he's on cable at a time when media companies are looking to jettison their struggling linear networks. It's entirely possible New Paramount could pull a **Versant** and spin off **Comedy Central**, **MTV**, **Nickelodeon**, **BET**, **VH1** and its other cable channels into a separate company, presumably to sell off those assets. But one very valuable piece of programming that the company will want to keep under its roof is the **NFL**. CBS currently has broadcast rights for AFC games on Sundays through the 2033 season, with its next Super Bowl broadcast set for the 2027 season. While the league has an opt-out clause with CBS following a change in ownership of the network, NFL Commissioner *Roger Goodell* said earlier this month that he didn't "anticipate" that they would pull the plug on CBS. That's reassuring for New Paramount. Still, they might want to be extra nice to Goodell next time he stops by for a visit, as the NFL has two years from the close of the acquisition to renegotiate or terminate the deal, and that's not including the larger opt-out option it has for its current media rights deals, which it could exercise in 2029.

MORE CHURN FOR CHARTER IN 2Q25, BUT GAINS IN MOBILE

It was **Charter**'s turn Friday morning to conduct its 2Q25 earnings call, but it was also the first chance to hear from the company following this week's news of a business-focused MVNO with **T-Mobile** (doing so alongside **Comcast**). President/CEO *Chris Winfrey* was complimentary of the existing consumer MVNO relationship it has with **Verizon**, but the T-Mobile deal allows it to enter a market to sell more lines than before. "We've been somewhat limited in terms of our ability to go to market in the business space, and so this opens the door for us to go do that," he said during Friday's call. "… we're happy with the partnership that we have, both with T Mobile now in the business segment as well as with Verizon. But I also think it's always good [not only] to have strategic relationships, but to have multiple strategic relationships, and we feel that this is helpful to the future of the business

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overall." The CEO also touched on why Charter's pending deal with **Cox Communications** was of financial benefit for both sides. "The transaction is priced at an attractive valuation, and it's accretive to top-line growth, margin and to lever free cash flow per share—even when absorbing the impact of the modest de-levering of the combined business and without factoring in the benefits of a lower cost of capital and the value of Cox as a sophisticated long-term shareholder," he said. Charter's stock tumbled by more than 18% on Friday after reporting it lost 117,000 Internet and 80,000 TV customers in 2Q25. Interestingly, those were actually improvements when compared to 2Q24, when the operator lost 149,000 Internet and 408,000 TV subs. TV revenue was also down by almost 10% YOY, coming in at $3.4 billion for the quarter, although Internet brought in $5.9 billion, which is a 2.8% increase YOY. A bright spot for Charter this quarter was Spectrum Mobile. It added 500,000 lines in 2Q25 and made $500 million in Mobile revenue, an almost 25% uptick when compared to prior year quarter, which came in at $737 million. That said, Charter added 557,000 lines in 2Q24, so the gain was slightly smaller this time around. Charter said it served 10.9 million lines as of June 30. Second quarter revenue was flat with 0.6% increase YOY to $13.8 billion. Second quarter Adjusted EBITDA of $5.7 billion grew by 0.5% YOY, "reflecting growth in revenue of 0.6% and an increase in operating expenses of 0.6%."

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PEOPLE

NCTC named *Rob Koester* as its new COO, effective Sept. 8. He has more than 25 years in telecom and broadband, most recently as SVP, Business Development and Product Management at NCTC member company **Consolidated Communications**. He succeeds current COO *Lisa Hood*, who will continue to serve in her capacity as CFO. NCTC VP *Brian Jones* has been promoted to SVP, Finance & Operations.

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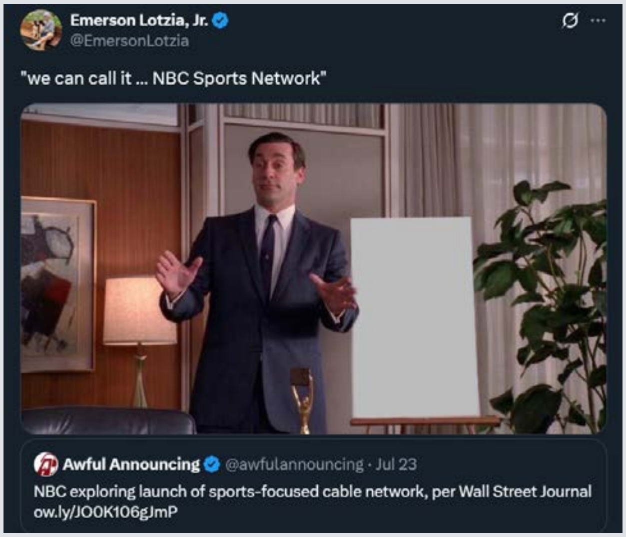

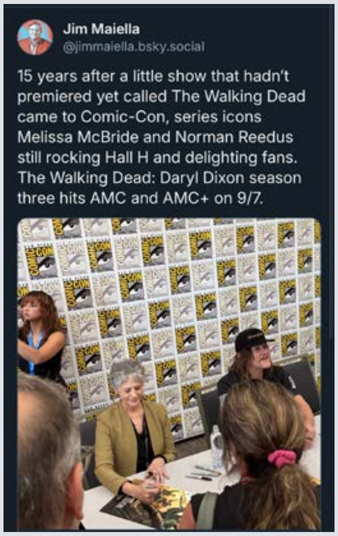

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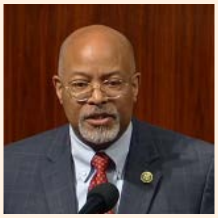

"This is a scary time…because they're using censorship power to undermine legitimate political disagreement, to push it to the side, and frankly, to continue the bullying tactics that have been exhibited by the Trump administration and people like the Chairman [Brendan Carr] here. I guess I should probably stop there. I'll probably be getting hate mail. This is on C-SPAN, right? I tend to be very popular on C-SPAN with the conservatives."

- Rep. Glenn Ivey (D-MD) criticizing FCC actions during an MMTC forum

Up Ahead

JULY 27-29: NTCA Summer Symposium, Hilton Head Island, S.C.

JULY 28-29: C2HR CON, Brooklyn

AUG. 4-7: CableLabs Interop-Labs CPMP XGS-PON, Louisville, CO

AUG. 7: FCC August Open Commission Meeting, Washington, D.C.

AUG. 10-13: The Independent Show, Salt Lake City

AUG. 11: Cablefax Top Ops Magazine Releases

SEPT. 15-18: NTCA Fall Conference, Las Vegas