

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

In the Matter of )  
 )  
Skydance Media and ) MB Docket No. 24-275  
Paramount Global )  
 )

**COMMENTS OF  
THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS HOLLYWOOD LOCAL  
399, WRITERS GUILD OF AMERICA WEST, INC., AND  
WRITERS GUILD OF AMERICA EAST**

The International Brotherhood of Teamsters Hollywood Local 399, Writers Guild of America West, Inc. (“WGAW”), and Writers guild of America East (“WGA East”) (“Labor Unions”) hereby comment on applications by Skydance Media, LLC (“Skydance”) and National Amusements, Inc. (“NAI”) (collectively, “Applicants”) to transfer control of licenses and authorizations held by Paramount Global’s subsidiaries to Skydance and its affiliates, forming “New Paramount.”<sup>1</sup> While Labor Unions appreciate that Applicants highlighted their labor relations history, asserted that the infusion of new capital would help to sustain newsgathering and other jobs, and promised to maintain their acquisition of union-made content, some of Applicants’ statements to investors and the public undermine the veracity of those professed goals. The Commission therefore should memorialize Applicants’ general labor-friendly statements with specific, binding merger conditions addressing workers, jobs, and unions.

Since 1928, Teamsters Hollywood Local 399 has represented workers in the Motion Picture Industry, including drivers, mechanics, warehousemen, wranglers, casting directors, and others. WGAW is a labor union representing over 11,000 writers in the television, film, news,

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<sup>1</sup> Public Notice, *Media Bureau Establishes Pleading Cycle for Applications to Transfer Control of Paramount Global and Permit-But-Disclose Ex Parte Status for the Proceeding*, DA No. 24-894, MB Doc. No. 24-275 (rel. Sept. 6, 2024).

and streaming video industries. WGA East is a labor union of more than 7,500 members working in film, television, news, podcasts and online media.

Applicants’ assurances that New Paramount will maintain “robust” demand for union labor-created programming and “cooperative relationships” with organized labor contrast with apparent threats of post-transaction job cuts. Applicants assert that the incoming leadership team “has a history of working productively with organized labor,” the company will continue “to be a source of robust demand for Guild-created programming and [will maintain] its cooperative relationships with the organized labor organizations of which its employees and contractors are or may become members.”<sup>2</sup> They also suggest that their proposed infusion of capital will strengthen news-gathering at the network and station levels,<sup>3</sup> presumably including the retention of journalists and other employees. Similarly, the Transaction Agreement’s mutual representations and warranties state that since 2021, neither company has been charged with unfair labor practices, faced a strike/lockout or other labor action, and that other than Guild or regional/industry-wide Collective Bargaining Agreements, neither company currently “has an obligation to bargain with any union, works council, employee association or other similar labor organization. . . .”<sup>4</sup>

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<sup>2</sup> Comprehensive Exhibit at 8 (“New Paramount’s new leadership team has a history of working productively with organized labor. At Skydance, for instance, Mr. Ellison works closely with members of the Directors Guild of America, Animation Guild, Writers Guild of America, and SAG-AFTRA, among other guilds. Over the course of his career, Mr. Shell likewise has worked regularly with members and the leadership of these and other guilds, as well as unions like the Communications Workers of America. Mr. Ellison and Mr. Shell will draw upon these experiences to ensure that New Paramount continues to be a source of robust demand for Guild-created programming and maintains its cooperative relationships with the organized labor organizations of which its employees and contractors are or may become members”).

<sup>3</sup> Comprehensive Exhibit at 4 (“With an improved balance sheet, New Paramount will be able to make strategic investments in the legendary newsgathering and reporting efforts of the national CBS television network and the company’s O&O local stations. These investments will ensure that both the national network (which reaches all television markets) and the O&Os will continue to serve as trusted sources of news. The investment in the CBS television network similarly will help ensure popular live sports and highly rated entertainment programming remain available to viewers over-the-air and will benefit CBS affiliate stations”).

<sup>4</sup> Comprehensive Exhibit at C-1 (Transaction Agreement at §§ 3.19, 4.19).

In contrast to these statements, however, Applicants’ pre-filing promises of “synergies” and Paramount’s recent workforce reductions tend to undermine their labor-related pledges. Skydance’s presentation to Paramount’s board included \$2 Billion in “run-rate cost efficiencies,” 50% of which would be realized in the first year,<sup>5</sup> suggesting immediate post-closing job cuts. Paramount’s recently announced across-the-board 15% workforce reduction raises concerns about New Paramount’s post-transaction intentions with respect to staffing levels.<sup>6</sup> CBS recently laid off 12 Writers Guild of America East (“WGA East”) members at WBBM CBS Chicago and CBS 24/7, prompting WGA East to state,

“the entire industry is keenly aware that the company plans to execute further draconian staff reductions in the near future. . . . Paramount’s ruthless cuts did not impact their highest earning executives and serve no purpose other than to satisfy investor relations as part of its pending acquisition by Skydance Media.”<sup>7</sup>

This apparent discrepancy between Applicants’ statements to the Commission and to investors reminds Labor Unions of prior transactions before the Commission where merging parties made worker-related promises that they abandoned once the deal closed. For example, the Communications Workers of America (“CWA”)

“supported AT&T’s acquisition of Time Warner after assurances that workers at the new company would be able to join a union without interference from management and engage in collective bargaining. AT&T did not keep its promise to the workers. Instead of honoring CWA’s long standing voluntary union recognition agreement, the company launched a court battle to dodge its contractual commitments to respect workers’ organizing rights.”<sup>8</sup>

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<sup>5</sup> Jill Goldsmith, “Skydance on Cost Cuts, Streaming Partnerships, and Big Breakup Fee if Another Buyer ‘Comes Out of the Woodwork’ for Paramount,” *Deadline* (July 8, 2024) (available at <https://deadline.com/2024/07/skydance-paramount-merger-cuts-tech-streaming-tech-partnerships-breakup-fee-1236003134/>). See also, Brian Steinberg, “Skydance Targets \$2 Billion-Plus in Cuts After Paramount Merger,” *Variety* (July 8, 2024) (quoting Jeff Shell that most cuts will come from linear and will be made quickly) (available at <https://variety.com/2024/tv/news/skydance-2-billion-cuts-paramount-merger-1236062244/>).

<sup>6</sup> Benjamin Mullin, “Paramount Lays Off 15 Percent of U.S. Employees,” *The New York Times* (Aug. 13, 2024) (available at <https://www.nytimes.com/2024/08/13/business/paramount-layoffs-skydance.html>).

<sup>7</sup> WGA East Statement on Layoffs at CBS (Sept. 25, 2024) (available at <https://www.wgaeast.org/wga-east-statement-on-layoffs-at-cbs/>).

<sup>8</sup> AT&T’s Warner Media/Discovery Deal Needs More Scrutiny, *Communications Workers of America Newsletter* (May 20, 2021) (available at <https://cwa-union.org/news/e-newsletter/2021-05-20#story-13077>).

Just as AT&T promised CWA that Time Warner employees would be able to join a union without interference from management, the Applicants here promise cooperative relationships with labor unions that their employees and contractors “are or may become members,” continued acquisition of “Guild-created programming,” and application of capital to newsroom staffing. Labor Unions simply ask that this time, the Commission makes Applicants put their money where their mouths are, specify their labor-related commitments in writing, and abide by merger conditions that codify their labor-related statements to the Commission.

Worker-related merger conditions would be consistent with recent findings. While not a Commission order, the Media Bureau’s recent Hearing Designation Order in the TENGNA/Standard General/Apollo transaction recognized that jobs, journalists, and workers directly relate to localism and the public interest. In its HDO, the Bureau stated that localism “is a longstanding core Commission broadcast policy objective [and a] cornerstone of broadcasting[.]”<sup>9</sup> “local journalism is the heart of local news and community-responsive programming,” and Bureau officials “take seriously concerns that a diminution in the employment of local journalists and other local staff poses a threat to localism.”<sup>10</sup> In referring the proposed TEGNA/Standard General/Apollo transaction to an Administrative Law Judge, the Bureau reasoned that “further investigation [was necessary] to determine the ultimate effect on localism” including “whether the ‘synergies’ of job cuts [had] already taken place”<sup>11</sup> and how “station-level staffing might be reduced and the effect of any such reduction on localism.”<sup>12</sup>

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<sup>9</sup> *In re: TEGNA, SGCI Holdings*, Hearing Designation Order, Media Bureau, MB Doc. No. 22-162 (Feb. 24, 2023) (hereinafter, “HDO”) at Para. 33, *citing 2002 Biennial Regulatory Review— Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996*, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd 13620, 13643-44, paras. 73-76 (2003).

<sup>10</sup> HDO at Para. 36.

<sup>11</sup> HDO at Para. 43.

<sup>12</sup> HDO at Para. 44.

Labor Unions believe that the Bureau’s reasoning in TEGNA/Standard General/Apollo should inform the Commission here. Jobs at local broadcast TV stations, in this case CBS Owned and Operated (“O&O”) broadcast television stations, directly relate to New Paramount’s ability to serve the public interest. Similarly, Guild-created programming and other union-made content at CBS News and other network shows should be valued highly, as Applications have suggested.

To that end, the Commission should memorialize Applicants’ pro-worker assertions by conditioning transaction approval on maintaining minimum levels of Guild-created content and station-level employment.

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Applicants correctly emphasize the importance of workers, unions, and staffing levels in their written submission in this docket. For the reasons discussed above, Labor Unions urge the Commission to condition approval of Applicants’ proposed transaction on specific benchmarks that would implement such generalities with concrete actions.

Respectfully submitted,

/s/

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October 7, 2024

## CERTIFICATE OF SERVICE

I, David Goodfriend, hereby certify that on October 7, 2024, I caused true and correct copies of the foregoing to be served by mail upon the following:

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