PETITION FOR REVIEW BY CFIUS UNDER 50 U.S.C. § 4565 Regarding Paramount Global financing commitments from foreign sovereign investors to support a proposed acquisition of Warner Bros. Discovery

Submitted by Knowledge Ecology International (KEI)

To: Committee on Foreign Investment in the United States (CFIUS)
c/o U.S. Department of the Treasury via CFIUS.tips@treasury.gov

Date: April 22, 2026

I. PETITION

Knowledge Ecology International (KEI) respectfully petitions the Committee on Foreign Investment in the United States ("CFIUS" or the "Committee"), pursuant to **Section 721 of the Defense Production Act of 1950, as amended (50 U.S.C. § 4565)** and **31 C.F.R. Part 800**, to:

1. **Initiate a review and investigation** of the foreign investments described below as a **non-notified covered transaction** under 50 U.S.C. § 4565(b)(1)(E);
2. Determine that the transaction constitutes a **foreign government-controlled transaction** under 50 U.S.C. § 4565(b)(2)(B) and 31 C.F.R. § 800.244; and
3. Recommend that the President of the United States block, suspend, or require divestment of the transaction pursuant to 50 U.S.C. § 4565(d), or impose mitigation measures sufficient to address the national security risks identified herein.

II. TRANSACTION AT ISSUE

Public reporting indicates that Paramount Global has secured approximately $24 billion in equity financing commitments from foreign sovereign investors to support a proposed acquisition of Warner Bros. Discovery, including control of major media assets such as CNN.

The reported investors include:

- Public Investment Fund (Saudi Arabia)
- Qatar Investment Authority (Qatar)
- L'imad Holding Co. (United Arab Emirates)

These entities are **state-owned or state-directed sovereign wealth funds**, and thus qualify as foreign government actors under **31 C.F.R. § 800.224**.

The reported use of **non-voting equity structures** does not remove the transaction from CFIUS jurisdiction. Under **50 U.S.C. § 4565(a)(4)(B)** and **31 C.F.R. § 800.211**, minority investments constitute "covered investments" where they afford access, influence, or involvement in substantive decision-making.

III. JURISDICTION AND STATUTORY BASIS

A. Covered Transaction

The transaction falls within:

- **50 U.S.C. § 4565(a)(4)**
- **31 C.F.R. §§ 800.208 and 800.211**

The scale and structure of the investment create a clear basis to conclude that **access to nonpublic information, governance influence, or other forms of involvement** are present or reasonably foreseeable.

B. Foreign Government-Controlled Transaction

Because the investors are sovereign wealth funds, the transaction constitutes, or presents a substantial risk of constituting, a:

- **foreign government-controlled transaction** under **31 C.F.R. § 800.244**

This triggers **mandatory investigation** under:

- **50 U.S.C. § 4565(b)(2)(B)**

C. Non-Notified Transaction Authority

If no voluntary filing has been submitted, CFIUS retains authority to:

- **initiate review sua sponte** under **50 U.S.C. § 4565(b)(1)(E)**

This petition is submitted to prompt such action.

IV. NATIONAL SECURITY RISKS

A. Enterprise-Wide Influence Over U.S. Media Assets, Including Broadcast Infrastructure

The reported investments are at the **parent-company level** of Paramount Global. As a result, any resulting access, influence, or leverage is not confined to a single subsidiary, but extends across the company's full portfolio of assets.

This includes the CBS broadcast network and its owned-and-operated television stations, which operate under **Federal Communications Commission (FCC)** licenses and reach mass domestic audiences.

Foreign sovereign investment at the parent level therefore creates potential influence over:

- national broadcast infrastructure;
- local television stations and news operations;
- election coverage and emergency communications systems;
- integrated advertising, data, and content distribution systems.

Under **50 U.S.C. § 4565(f)(5)**, CFIUS must consider the effects of foreign government involvement in a U.S. business. The enterprise-wide nature of this transaction materially increases the scope and severity of the national security risks.

B. Foreign State Influence Over U.S. and Global Information Systems

CNN and CBS are **systemically important media institutions** shaping:

- U.S. political discourse;
- international perceptions of U.S. policy;
- global information flows.

Foreign sovereign participation creates **structural pathways for influence**, including indirect and informal leverage that does not depend on formal voting control.

C. Sensitive Personal Data and Audience Intelligence

Under **50 U.S.C. § 4565(f)(11)**, CFIUS must consider risks relating to sensitive personal data.

Modern media enterprises collect and analyze:

- detailed audience engagement and viewing data;
- behavioral and demographic profiles;
- politically relevant consumption patterns.

At the parent-company level, such data is often integrated across platforms, including CBS broadcast operations, streaming services, and digital media. Foreign access—direct or indirect—creates a **clear pathway for influence operations and strategic targeting**.

D. Non-Controlling Investments and FIRRMA

The **Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA)** expanded CFIUS jurisdiction to address risks arising from **non-controlling investments**.

The reported use of **non-voting equity structures** is therefore not dispositive. Influence may arise through:

- informational rights;
- governance participation;
- economic leverage over corporate strategy.

CFIUS has consistently recognized that **formal control is not required** to create national security risk.

E. The Paramount acquisition of Warner Bros. Discovery is highly leveraged and faced challenges in obtaining financing from private investors.

It is a fair and widely held assessment that the Paramount–Warner Bros. Discovery (WBD) deal is highly leveraged. Financial analysts and credit agencies have expressed significant concerns regarding the debt-funded nature of the transaction and Paramount's long-term ability to maintain a healthy balance sheet.

Analysts expect the combined company to generate minimal or negative free cash flow (FCF) initially. This is due to the massive interest payments on the new debt, combined with the high costs of integrating two legacy media giants.

On March 2, 2026, Fitch Ratings downgraded Paramount to "BB+" (speculative grade or "junk" status). Earlier the Wall Street Journal reported that Moody's was considering a similar downgrade.[1]

> Moody's Investors Services said Friday it is placing Paramount Global on review for a downgrade following parent company, Paramount Skydance's winning bid to buy to Warner Bros. Discovery. Paramount Global carried Moody's lowest investment grade rating of Baa3 so a downgrade would push the company into speculative grade territory, or "junk" status.
>
> The agency specifically cited the "prospective debt-funded structure" and expectations of "materially elevated leverage" as the primary reasons for the downgrade

If the acquisition goes through and Paramount is unable to meet its debt service obligations, the Gulf state investors will have the opportunity to exercise even more influence on these key information systems, and it seems obvious that this was their primary motivation to invest.

The leverage can involve efforts by Paramount Global to restructure its debt or seek additional funding. In such circumstances, the Gulf state investors could condition new capital on governance concessions—such as board representation, veto rights over major transactions, or influence over senior management decisions—effectively converting a passive financial position into de facto control.

Under Delaware law (where Paramount is incorporated), non-voting shareholders still have "Class Voting Rights" in specific existential scenarios:

If Paramount's debt load leads to a Chapter 11 filing, the "non-voting" distinction largely disappears in the restructuring process:

F. Information Integrity as a National Security Interest

[1] Heather Gillers, Moody's Puts Paramount on Review for Downgrade to Junk. *Wall Street Journal*, February 27, 2026.

The integrity of U.S. information systems—including major broadcast and cable news organizations—is a core national security concern.

Foreign sovereign investors have:

- geopolitical incentives to shape narratives;
- reputational interests affecting coverage;
- strategic communications objectives inconsistent with U.S. interests.

The risks include **subtle forms of influence**, including editorial prioritization, framing, and resource allocation decisions.

G. Foreign Sovereign Investors: Governance, Strategic Objectives, and Elevated Risk

The foreign investors identified in public reporting are not passive financial actors. Each is a **state-owned or state-directed sovereign wealth fund** operating as an instrument of government policy.

1. Non-Democratic Governance and Concentrated State Control

The governments associated with these investors—Saudi Arabia, Qatar, and the United Arab Emirates—are **not democratically governed systems with independent checks on executive authority**. Decision-making authority over sovereign wealth funds is **highly centralized** and closely aligned with ruling leadership.

- The Public Investment Fund is chaired by the Crown Prince and functions as a core vehicle of state policy.
- The Qatar Investment Authority operates under direct state authority.
- L’imad Holding Co. is linked to Abu Dhabi state investment structures.

As a result, these entities should be understood not as independent institutional investors, but as **extensions of foreign state power**, directly implicating **50 U.S.C. § 4565(f)(5)** (foreign government control).

2. Alignment with State Strategic and National Security Objectives

Each of these governments maintains **distinct national security, geopolitical, and strategic objectives**, which may diverge from those of the United States. Sovereign wealth funds are routinely deployed as tools of:

- economic statecraft;
- geopolitical positioning;
- influence over foreign markets and institutions.

These governments also seek to **leverage relationships with the United States—including access to U.S. military capabilities, technology, and political influence—to advance their own strategic interests**.

In this context, investment in a major U.S. media enterprise must be evaluated not as a neutral financial transaction, but as a potential **vector for advancing foreign state objectives within the U.S. information environment**.

Recent geopolitical developments in the Gulf region underscore the importance of safeguarding the independence of U.S. news and information services from foreign state influence. Where state-linked investors obtain governance rights or leverage over media assets, even indirectly, this raises legitimate national security and information integrity concerns.

3. Strategic Interest in Media, Narrative, and Reputation Management

These sovereign investors and their affiliated state structures have demonstrated sustained interest in:

- global media platforms;
- high-visibility cultural and communications assets;
- mechanisms for shaping international perception and domestic legitimacy.

Control or influence over media assets provides **leverage over narrative formation**, agenda-setting, and reputational management.

Applied to a U.S. media company such as Paramount Global—including assets such as CNN and CBS—this creates a **non-speculative risk of state-aligned influence over content, framing, and editorial priorities**.

4. Combined Effect: Capability and Incentive to Influence

CFIUS analysis focuses not on proof of misconduct, but on **whether a foreign actor has both the capability and incentive to act in a manner adverse to U.S. national security**.

Here, both elements are present:

- **Capability** arises from large-scale financial participation, potential access to information, and enterprise-wide integration of data and governance.
- **Incentive** arises from the strategic objectives of the investing states, including influence over information flows and alignment with broader geopolitical goals.

This combination directly implicates multiple statutory factors under **50 U.S.C. § 4565(f)**, including:

- foreign government involvement (§ 4565(f)(5));
- risks relating to sensitive personal data (§ 4565(f)(11));
- broader national security considerations relating to information integrity and influence operations.

5. Multi-State Participation Increases Risk

The involvement of **multiple foreign sovereign investors from different states** further heightens risk:

- expands the number of potential influence channels;
- complicates attribution and monitoring;
- reduces the effectiveness of mitigation measures.

This multi-actor structure increases the likelihood that **informal or indirect influence will evade detection or enforcement**.

6. Conclusion on Investor-Specific Risk

Taken together, the governance structure, strategic orientation, and state alignment of these investors materially elevate the national security risks of the transaction.

These entities are not passive providers of capital. They are **state-linked actors with both the means and motivation to exercise influence over sensitive U.S. information assets**, including major broadcast and news organizations.

CFIUS need not assume malign intent; it is sufficient that foreign sovereign actors with centralized authority, strategic objectives, and demonstrated interest in media influence would, through this transaction, obtain the capability to shape or affect U.S. information systems."

V. LIMITS OF MITIGATION

The enterprise-wide nature of the investment—including its reach into FCC-licensed broadcast assets—raises serious doubts regarding the effectiveness of mitigation.

Editorial independence and content decisions are:

- not readily subject to technical controls;
- vulnerable to informal or indirect influence;
- difficult to monitor or enforce through compliance mechanisms.

Accordingly, **mitigation may be insufficient**, particularly where multiple foreign sovereign actors are involved.

VI. REQUEST FOR RELIEF

KEI respectfully requests that CFIUS:

1. **Initiate an immediate review and investigation**;
2. Determine that the transaction presents **unacceptable national security risks**;
3. Recommend that the President:

- ○ **block or suspend the transaction**, or
- ○ require **divestment of foreign sovereign interests**

In the alternative, if mitigation is pursued, require at minimum:

- prohibition on board or observer rights;
- prohibition on access to nonpublic operational or audience data across all Paramount entities, including CBS;
- legally enforceable structural separation of editorial and data systems;
- ongoing monitoring, audit rights, and enforceable penalties.

VII. CONCLUSION

This transaction presents a direct test of CFIUS's post-FIRRMA mandate to address **foreign government-linked influence over sensitive U.S. assets, including broadcast infrastructure and major news organizations**.

Allowing foreign sovereign investors to obtain enterprise-wide leverage over Paramount Global, including CBS, would establish a precedent inconsistent with the statutory framework enacted by Congress.

CFIUS should exercise its full authority.

Respectfully submitted,

James Packard Love
Executive Director

Knowledge Ecology International (KEI)
110 Maryland Avenue NE
Suite 308
Washington, DC 20002
https://keionline.org
james.love@keionline.org
Mobile phone +1.202.361.3040