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FCC APPROVES TRANSFER OF CBS TO VIACOM; GIVES COMBINED COMPANY TIME TO COMPLY WITH OWNERSHIP RULES

Washington D.C. -- The FCC today approved the transfer of control of the CBS Corporation to Viacom Inc., including approval of the transfer of 38 television stations, 162 radio stations, several translator and satellite stations.

In a Memorandum Opinion and Order adopted today approving the transaction, the Commission granted the companies additional time to come into compliance with FCC ownership rules. The Commission said it commonly grants a reasonable time for parties in merger transactions to come into compliance with Commission ownership rules without being required to sell properties at a "fire sale."

In particular, the FCC allowed the combined company the following:

* Twelve months to come into compliance with the Dual Network Rule, which prohibits a major television network (CBS) from having an ownership interest in another television network, such as Viacom's United Paramount Network (UPN). The combined company would preserve UPN as a viable network during this 12-month period.

* Twelve months to meet the National Television Ownership Cap, which limits to 35% the aggregate number of television households reached by the television stations of a group owner. The Order noted that the audience reach of the combined company would be above 41%.

* Six months to conform to the local Radio-Television Cross-Ownership rules in the Los Angeles, Chicago, Dallas/Ft. Worth, Baltimore markets and Sacramento markets. In these markets, where at least 20 independently owned media voices remain in the market after the merger, the rules allow ownership of up to two television and six radio stations, or in some cases, one television and up to seven radio stations. The Order points out that in each of these markets, the combined company would exceed the limits at the time of the merger.

Action by the Commission by Memorandum Opinion and Order, FCC #00-155.
Chairman Kennard, Commissioners Ness and Powell, with Commissioner Furchtgott-Roth concurring in part and dissenting in part, Commissioner Tristani dissenting in part, and Commissioners Furchtgott and Tristani each issuing a separate statement.

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