



Statement for the Record
of the
American Economic Liberties Project

U.S. House of Representatives
Committee on the Judiciary
Subcommittee on the Administrative State, Regulatory Reform, and
Antitrust

Hearing on “Full Stream Ahead: Competition and Consumer Choice in
Digital Streaming”

January 7, 2026

On behalf of the American Economic Liberties Project, we submit this statement for the record for the Subcommittee on the Administrative State, Regulatory Reform, and Antitrust hearing titled, “Full Stream Ahead: Competition and Consumer Choice in Digital Streaming.” Economic Liberties is a non-profit, non-partisan organization that fights concentrated economic power to ensure free and fair opportunity for all.

Economic Liberties applauds the Subcommittee’s oversight of consolidation in the video streaming market, and we urge you to continue your oversight efforts across the media landscape. The Subcommittee should closely scrutinize any potential sale of Warner Bros. Discovery (“WBD”). Any sale of WBD that consolidates the media industry raises serious antitrust concerns, including a sale of WBD assets, in whole or in part, to Netflix,¹ Paramount,² or Comcast.³ Any of these transactions would deepen the media consolidation crisis, resulting in higher prices and fewer choices for consumers, fewer jobs and reduced bargaining power for workers and content creators; effectively killing independent production and movie distribution. The proposed Netflix-WBD combination would hand Netflix outsized control over content creation and the video streaming market. As such, this Subcommittee, the Department of Justice, and state attorneys general should use their authority to scrutinize the wave of consolidation across the media industry.

I. Netflix and Warner Bros. Discovery Would Increase Consolidation, Hurting Creators, Consumers, Workers, and the Public

A. Background

On June 9, 2025,⁴ WBD – a media conglomerate that creates and distributes content across film, television, and video game studios, streaming services, and television networks⁵ – announced that it intended to split itself into two companies: one with the company’s movie and television production studios and streaming video service, HBO Max, and the other comprising cable

¹ Consumers filed an antitrust lawsuit to enjoin the Netflix-WBD deal. *See, e.g.*, Mike Scarcella, “Netflix faces consumer class action over \$72 billion Warner Bros deal,” Reuters, December 9, 2025, <https://www.reuters.com/legal/government/netflix-faces-consumer-class-action-over-72-billion-warner-bros-deal-2025-12-09/>.

² Benjamin Mullin and Lauren Hirsch, “Paramount Makes Hostile Bid for Warner Bros. Discovery,” The New York Times, December 8, 2025, <https://www.nytimes.com/2025/12/08/business/paramount-warner-bros-discovery-netflix.html>.

³ Lillian Rizzo, “Comcast president outlines unsuccessful WBD offer and future of NBC’s Peacock,” CNBC, December 8, 2025, <https://www.cnbc.com/2025/12/08/comcast-president-unsuccessful-wbd-offer-future-of-peacock.html/>.

⁴ Warner Bros. Discovery, “Warner Bros. Discovery to Separate into Two Leading Media Companies,” press release, June 9, 2025, <https://www.wbd.com/news/warner-bros-discovery-separate-two-leading-media-companies>.

⁵ U.S. Securities and Exchange Commission, “Warner Bros. Discovery Board of Directors Unanimously Recommends Shareholders Reject Paramount Tender Offer,” Warner Bros. Discovery, December 17, 2025, <https://www.sec.gov/Archives/edgar/data/1437107/000119312525321690/d938633d425.htm#:~:text=Discovery%20Warner%20Bros.,Motion%20Picture%20Group%2C%20Warner%20Bros.>

television channels, including CNN, TBS, and TNT. After receiving a number of unsolicited bids from Netflix, Comcast, and Paramount-Skydance to acquire different parts of the company, WBD announced it was open to a sale to “unlock the full value of our assets.”⁶ After months of speculation and two rounds of formal bidding, Netflix – a subscription based streaming service that offers television, movies, documentaries, and games⁷ – announced on December 5, 2025, that it would acquire WBD’s streaming service, its film, television, and video game studios for nearly \$72 billion.⁸

Over the past 25 years, WBD has undergone a number of ill-advised mergers or acquisitions, followed by breakups.⁹ In 2000, AOL merged with Time Warner – described by many as the “worst [deal] in history,”¹⁰ which eventually led to Time Warner spinning off AOL and Time Warner Cable into separate companies in 2009.¹¹ In 2018, AT&T purchased Time Warner –

⁶ Sara Silnas, Luke Fountain, and Alex Sherman, “Warner Bros. Discovery says it’s open to a sale; shares jump 10%,” CNBC, October 22, 2025, <https://www.cnbc.com/2025/10/21/wbd-sale-warner-bros-media.html>; PR Newswire, “Warner Bros. Discovery Initiates Review of Potential Alternatives to Maximize Shareholder Value,” October 21, 2025, <https://www.prnewswire.com/news-releases/warner-bros-discovery-initiates-review-of-potential-alternatives-to-maximize-shareholder-value-302590176.html>.

⁷ Netflix, “What is Netflix?,” <https://help.netflix.com/en/node/412>.

⁸ Joe Flint and Lauren Thomas, “Netflix to Buy Warner Bros. for \$72 Billion,” The Wall Street Journal, December 5, 2025, https://www.wsj.com/business/media/warner-bros-discovery-and-netflix-enter-exclusive-deal-negotiations-9ea30a85?mod=hp_lead_pos1.

⁹ Rick Porter, “It’s Not You, It’s WB: A Brief History of Warners’ 21st Century Mergers and Breakups,” Hollywood Reporter, June 9, 2025, <https://www.hollywoodreporter.com/business/business-news/warner-bros-discovery-breakup-failed-mergers-1236260379/>; JD Supra, “Netflix and Paramount Both Want Warner: What Will Antitrust Authorities Do?,” December 9, 2025, <https://www.jdsupra.com/legalnews/netflix-and-paramount-both-want-warner-7794772/>.

¹⁰ Tim Arango, “How the AOL-Time Warner Merger Went So Wrong,” The New York Times, January 10, 2010, <https://www.nytimes.com/2010/01/11/business/media/11merger.html>.

¹¹ Seth Schiesel and Jim Rutenberg, “Merger Over, The New AOL Will Lay Off 2,000 Workers,” The New York Times, January 24, 2001, <https://www.nytimes.com/2001/01/24/business/merger-over-the-new-aol-will-lay-off-2000-workers.html>; Tim Arango, “How the AOL-Time Warner Merger Went So Wrong,” The New York Times, January 10, 2010, <https://www.nytimes.com/2010/01/11/business/media/11merger.html>; Rick Porter, “It’s Not You, It’s WB: A Brief History of Warners’ 21st Century Mergers and Breakups,” Hollywood Reporter, June 9, 2025, <https://www.hollywoodreporter.com/business/business-news/warner-bros-discovery-breakup-failed-mergers-1236260379/>; AT&T, “Time Warner Corporate Actions,” <https://investors.att.com/stockholder-services/time-warner-stockholders/time-warner-cable-separation>.

renaming it WarnerMedia – and accomplished little other than mass layoffs.¹² AT&T then sold WarnerMedia at a loss to Discovery Inc. in 2022, creating WBD.¹³

Once again, bidders promise that this – and any other sale of WBD¹⁴ – will be “pro-competitive,”¹⁵ offer “more choice and greater value for consumers, more opportunities for the creative community, [and create a] stronger entertainment industry.”¹⁶ Once again, that is not the case.

B. Netflix and Warner Bros. Discovery Have a History of Raising Prices, Degrading Quality, Along with Cancelling and Restricting Content

1. Netflix and Warner Bros. Discovery Have Increased Prices and Limited Consumer Choice

A combination of Netflix and WBD would limit consumer choice. First, there would be one less major streaming service on the market for consumers to choose from. And second, there would be reduced content diversity, as Netflix – and all other streamers in the now-more concentrated market – would have less of an incentive to compete through differentiated content.¹⁷

¹² Financier Worldwide Magazine, “AT&T closes \$85bn Time Warner deal,” August, 2018, <https://www.financierworldwide.com/att-closes-85bn-time-warner-deal>; ain Morris, “AT&T has let go of 77,400 employees in just four years,” LightReading, January 27, 2022, <https://www.lightreading.com/aiautomation/atandt-has-let-go-of-77400-employees-in-just-four-years/d/d-id/774870>; Michael Hiltzik, “AT&T got nothing but pain from its WarnerMedia merger. It’s well deserved,” The Los Angeles Times, May

18, 2021, <https://www.latimes.com/business/story/2021-05-18/att-warnermedia-merger>; Lauren Feiner, “AT&T battled the DOJ to buy Time Warner, only to spin it out again three years later,” CNBC, May 17, 2021, <https://www.cnbc.com/2021/05/17/att-fought-doj-for-time-warner-only-to-spin-out-three-years-later.html>.

¹³ Rick Porter, “It’s Not You, It’sWB: A Brief History of Warners’ 21st Century Mergers and Breakups,” Hollywood Reporter, June 9, 2025, <https://www.hollywoodreporter.com/business/business-news/warner-bros-discovery-breakup-failed-mergers-1236260379/>.

¹⁴ Adam Chitwood, “Paramount Goes Hostile, Launches \$30 Per Share Bid for Warner Bros. Discovery in Attempt to Thwart Netflix,” The Wrap, December 8, 2025, <https://www.thewrap.com/paramount-hostile-warner-bros-discovery-takeover-bid/>.

¹⁵ Erik Hayden, “How Paramount Attacked Netflix’s Bid for Warner Bros.,” The Hollywood Reporter, December 5, 2025, <https://www.hollywoodreporter.com/business/business-news/paramount-letter-netflix-comcast-warner-bros-1236442793/>.

¹⁶ Netflix, “Separation of Discovery Global for a Total Enterprise Value of \$82.7 Billion (Equity Value of \$72.0 Billion),” press release, December 5, 2025, <https://about.netflix.com/en/news/netflix-to-acquire-warner-bros>.

¹⁷ JD Supra, “Netflix and Paramount Both Want Warner: What Will Antitrust Authorities Do?,” December 9, 2025, <https://www.jdsupra.com/legalnews/netflix-and-paramount-both-want-warner-7794772/>; Lucia Moses, “Netflix and other streamers have pulled back on hard-hitting documentaries as they seek more true crime and ‘nothing too political’,” Business Insider, October 26, 2023, <https://www.businessinsider.com/netflix-streamers-pull-back-done-with-political-documentaries-2023-10>.

The streaming market is already highly consolidated. Netflix in particular is an entrenched dominant platform.¹⁸ Both Netflix and WBD have a history of raising prices for their subscription streaming video services. Since 2014, Netflix has raised prices at least nine times, by a total of 125%, roughly four times the rate of inflation over the same time period.¹⁹ WBD has also raised prices approximately 23% since the 2020 launch of HBO Max, but unlike Netflix, WBD's prices have kept pace with inflation.²⁰ By eliminating a head-to-head competitor in streaming, a combined Netflix-WBD would have even more power – and the incentive – to aggressively raise prices. With streaming prices already on the rise, and Netflix financing the deal with almost \$60 billion in debt,²¹ the Netflix-WBD transaction would only give Netflix more power and incentive to raise prices even further.²²

2. Netflix and Warner Bros. Discovery Have Cancelled and Restricted Content

More than one in four Americans spend over 5 hours a day consuming media.²³ As media companies consolidate markets, they also consolidate control over what content viewers can access. Once large enough, these consolidated media companies often put their shareholders' and executives' interests – including stock buybacks and dividends,²⁴ merger and acquisition decisions, regulatory efforts, tax policy, and contracts – ahead of the public interest. This includes cancelling shows, refusing to distribute already created content, or refusing to distribute content about certain topics.

¹⁸ See, e.g., Jacob Linger and Hal Singer, “The Netflix-Warner Brothers Merger Would Harm Streaming Subscribers. It Should Be Blocked.” The Sling, December 18, 2025, <https://www.thesling.org/the-netflix-warner-brothers-merger-would-harm-streaming-subscribers-it-should-be-blocked/>.

¹⁹ Olivia Bono, “Every Netflix, HBO Max, and Hulu Price Increase: The History of Streaming Service Prices,” CableTv, May 29, 2025, <https://www.cabletv.com/news/streaming-service-price-increases>; U.S. Bureau of Labor Statistics, “Consumer Price Index,” <https://www.bls.gov/cpi/>; U.S. Inflation Calculator, “Consumer Price Index Data from 1913 to 2025,” <https://www.usinflationcalculator.com/inflation/consumer-price-index-and-annual-percent-changes-from-1913-to-2025/>.

²⁰ *Id.*

²¹ Paula Seligson and Natalie Harrison, “Netflix’s \$59 Billion Loan for Warner Bros. Among Biggest Ever,” Yahoo Finance, December 5, 2025, <https://finance.yahoo.com/news/netflix-lines-59-billion-debt-125547191.html>.

²² Wedny Lee, “Consumers are speeding \$22 more a month on average for streaming services. Why do prices keep rising?,” Los Angeles Times, November 21, 2025, <https://www.latimes.com/entertainment-arts/business/story/2025-11-21/why-do-streaming-prices-keep-rising-disney-netflix-paramount-what-to-know>.

²³ YouGov, “Screens, streams, and scrolls: State of US media consumption in 2025,” August 14, 2025, <https://yougov.com/en-us/reports/52727-us-media-consumption-report-2025>; Arielle Feger, “Digital media makes up nearly two-thirds of consumers’ total time spent with media,” EMarketer, August 13, 2024, <https://www.emarketer.com/content/digital-media-makes-up-nearly-two-thirds-of-consumers-total-time-spent-with-media>.

²⁴ MacroTrends, “Netflix Net Common Equity Issued/Repurchased 2011-2025,” <https://www.macrotrends.net/stocks/charts/NFLX/netflix/net-common-equity-issued-repurchased>.

Netflix has a history of cancelling shows that are popular with its users, including *The Waterfront*, which was frequently one of the streaming service's top 10 shows.²⁵ Netflix and other industry players have also slowed down producing, purchasing, or releasing documentary films and other content that is “too political.”²⁶ As streaming services and film studios become more consolidated, there are fewer buyers for content, and it becomes more difficult for creators to find distribution for challenging or controversial stories.²⁷ In an effort to prioritize profits and subscriber growth, these companies will self-censor. This includes avoiding content that may increase political tension in the U.S or “films that might be in any way perceived as being in opposition to China.”²⁸

WBD likewise has a history of cancelling or restricting content following mergers, and this deal will only exacerbate Netflix's power to reduce the production and distribution of content. Following the deal that created WBD,²⁹ the new company cancelled the almost complete *Batgirl* movie, ostensibly in an effort to cut costs, but ultimately as a tax write-off.³⁰ Following the AT&T-Time Warner merger in 2018, actor, writer, and comedian Adam Conover's popular show *Adam Ruins Everything* was cancelled,³¹ and AT&T laid off “basically everyone in the entire [truTV] building.”³² And the same month WBD officially became a company³³ and the streaming

²⁵ Jack Ori, “5 Netflix Shows That We Still Can't Believe Were Cancelled,” Comic Book, December 2, 2025, <https://comicbook.com/tv-shows/list/5-netflix-shows-that-we-still-cant-believe-were-cancelled/>.

²⁶ See, e.g., Lucia Moses, “Netflix and other streamers have pulled back on hard-hitting documentaries as they seek more true crime and ‘nothing too political’,” Business Insider, October 26, 2023,

<https://www.businessinsider.com/netflix-streamers-pull-back-done-with-political-documentaries-2023-10>; Lucia Moses, “Leaked documents reveal what Netflix wants in new shows, from more ‘Dahmer’-style true crime to its own version of ‘The Bear’,” Business Insider, October 30, 2023,

<https://www.businessinsider.com/what-netflix-wants-new-shows-series-bear-squid-game-dahmer-2023-10>.

²⁷ See, e.g., Fabrizio Germano and Martin Meier, “Concentration and self-censorship in commercial media,” Journal of Public Economics, Volume 97, January, 2013,

<https://www.sciencedirect.com/science/article/abs/pii/S0047272712001089>.

²⁸ See, e.g., Lucia Moses, “Netflix and other streamers have pulled back on hard-hitting documentaries as they seek more true crime and ‘nothing too political’,” Business Insider, October 26, 2023,

<https://www.businessinsider.com/netflix-streamers-pull-back-done-with-political-documentaries-2023-10>; Natalie O’Neill, “Hollywood censors movies to please Chinese government: report,” The New York Post, August 6, 2020, <https://nypost.com/2020/08/06/hollywood-studios-are-censoring-movies-for-chinese-market-report/>.

²⁹ Warner Bros. Discovery, “Combination of Discovery and WarnerMedia Creates Warner Bros. Discovery, Global Leader in Entertainment and Streaming,” April 8, 2022,

<https://ir.wbd.com/news-and-events/financial-news/financial-news-details/2022/Combination-of-Discovery-and-WarnerMedia-Creates-Warner-Bros.-Discovery-Global-Leader-in-Entertainment-and-Streaming/default.aspx>.

³⁰ Emma Nolan, “Warner Bros. ‘Cut Its Losses’ by Axing \$90 Million ‘Batgirl’ Movie: Lawyer,” Newsweek, August 11, 2022, <https://www.newsweek.com/warner-bros-hbo-max-batgirl-movie-cancelled-tax-1732963>; Ross Tanenbaum, “2 Years Later, DC’s Batgirl Movie Cancellation Now Feels Even Harsher,” Screen Rant, October 13, 2024,

<https://screenrant.com/batgirl-dc-movie-abandoned-cancelled-2024-joker-2/#:~:text=After%20two%20years%2C%20DC's,makes%20Batgirl's%20cancelation%20even%20harsher>.

³¹ Adam Ruins Everything was aired on truTV, which Time Warner owned.

³² Tony Maglio, “Adam Conover Blames AT&T-Time Warner Merger for Cancellation of ‘Adam Ruins Everything’,” Yahoo, January 19, 2022,

<https://www.yahoo.com/entertainment/adam-conover-blames-t-time-144314912.html>.

³³ WBD, “Combination of Discovery and WarnerMedia Creates Warner Bros. Discovery, Global Leader in Entertainment and Streaming,” press release, April 8, 2022,

platform CNN+ launched,³⁴ CEO David Zaslav immediately shut down that platform.³⁵ This came after multiple deals were agreed upon, a number of shows were fully filmed, and a nationwide marketing rollout.³⁶

This history raises serious concerns about what a combined entity with greater ability and incentive to restrict output through content reduction would do.

C. Previous Media Mergers Illustrate the Harms for Workers

As previous media mergers have illustrated,³⁷ Netflix's proposed acquisition of WBD is likely to result in a number of harms for workers.

When mergers between competitors occur, the number of companies competing for workers decreases. That means writers, actors, producers, directors, content creators, stylists, technicians, and other workers in the industry will lose bargaining leverage. With fewer companies competing, workers also suffer from reduced or stagnant wages and layoffs, harming their economic freedom.³⁸ These harms are not theoretical. When AT&T acquired Time Warner in 2018, the company reduced its headcount by more than 77,000 workers.³⁹ In 2022, when Warner Media merged with Discovery, now known as Warner Bros. Discovery, there were multiple rounds of layoffs, with at least 2,000 employees losing their jobs.⁴⁰

<https://ir.wbd.com/news-and-events/financial-news/financial-news-details/2022/Combination-of-Discovery-and-WarnerMedia-Creates-Warner-Bros.-Discovery-Global-Leader-in-Entertainment-and-Streaming/default.aspx>.

³⁴ Ted Johnson, "CNN+ to Cease on Thursday, Two Days Earlier Than Announced," *Deadline*, April 27, 2022, <https://deadline.com/2022/04/cnn-plus-to-cease-two-days-earlier-1235011538/#:~:text=CNN.to%20huge%20expenses%20on%20promotion>.

³⁵ Devon Ivie, "RIP, CNN+ (March 2022-April 2022)," *Vulture*, <https://www.vulture.com/2022/04/cnn-streaming-service-shutting-down-april-30.html>.

³⁶ See, e.g., Eliana Dockterman, "Alison Roman's CNN Show Isn't Happening Anymore," *Time*, March 19, 2023, <https://time.com/6263779/alison-roman-cnn-show-canceled/>; CNN+, "Anderson Cooper to Host Two Shows on CNN+," press release, December 31, 2021,

<https://cnnpressroom.blogs.cnn.com/2021/12/31/anderson-cooper-host-cnn-plus-parental-guidance-full-circle/#:~:text=CNN%20anchor%20Anderson%20Cooper%20will,in%20the%20weeks%20to%20come>.

³⁷ See, e.g., American Economic Liberties Project, "The Courage to Learn," January 2021, p. 120-126, <https://www.economicliberties.us/wp-content/uploads/2021/01/Courage-to-Learn-Final.pdf>.

³⁸ Thomas Philippon, "Causes, Consequences, and Policy Responses to Market Concentration," ASPEN Economic Strategy Group, November 21, 2019,

<https://www.economicstrategygroup.org/publication/causes-consequences-and-policyresponses-to-market-concentration/>; Thomas Philippon, "The Economics and Politics of Market Concentration," *The Reporter*, December 1, 2019, <https://www.nber.org/reporter/2019number4/economics-and-politics-marketconcentration>.

³⁹ Iain Morris, "AT&T has let go of 77,400 employees in just four years," *LightReading*, January 27, 2022, <https://www.lightreading.com/aiautomation/atandt-has-let-go-of-77400-employees-in-just-four-years/d/d-id/774870>; Michael Hiltzik, "AT&T got nothing but pain from its WarnerMedia merger. It's well deserved," *The Los Angeles Times*, May 18, 2021, <https://www.latimes.com/business/story/2021-05-18/att-warnermedia-merger>.

⁴⁰ Dade Hayes, "Warner Bros Discovery Begins Buyouts As First Step Toward Trimming Ad Sales Force by Up To 30%," *Deadline*, June 14, 2022, <https://deadline.com/2022/06/warner-bros-discovery-begins-buyouts-as-first-step-toward-trimming-ad-sales-force-by-up-to-30-1235045450/>; Jennifer Maas, "Warner Bros. Discovery to Lay Off Nearly 1,000 Employees, Cuts to Max

Given the head-to-head competition between Netflix and HBO Max, and the expected harm to workers, the Hollywood Teamsters,⁴¹ Writers Guild of America (WGA), Directors Guild of America (DGA), and SAG-AFTRA⁴² have all spoken out against the merger, as “greed-fueled consolidation of corporate power... is a direct threat to good union jobs, the livelihood of our members, and the very existence of our industry.”⁴³

D. This Netflix-Warner Bros. Discovery Combination Poses a Particular Risk to the Film and Movie Theater Sector

This deal also poses significant risk to the film and movie theater sector. As evidenced by Disney’s acquisition of 21st Century Fox in 2019,⁴⁴ consolidation in this industry results in a decline in the number of movie and theatrical releases, which directly impact movie theaters, as ticket sales, theater attendance, and revenue decline.⁴⁵ Disney cancelled over 200 films that were in development when it acquired Fox,⁴⁶ and laid off over 3,000 workers,⁴⁷ including those that

Staffers in Single Digits,” Variety, July 16, 2024,

<https://variety.com/2024/tv/news/warner-bros-discovery-lays-off-1000-employees-finance-max-1236074169/>; Peter White, “Warner Bros Discovery Initiates More Layoffs In Cable TV Divisions,” Deadline, June 4, 2025, <https://deadline.com/2025/06/warner-bros-discovery-layoffs-tv-division-1236423255/>; Kaitlyn Huamani, Warner Bros. to layoff 52 people in Motion Picture Group,” Los Angeles Times, July 30, 2025, <https://www.latimes.com/business/story/2025-07-30/warner-bros-layoffs-motion-picture-group#:~:text=>

⁴¹ Katie Campione, “Hollywood Teamsters Disavow Netflix-WB Merger As “Yet Another Call For Alarm” Over Media Consolidation, Urging U.S. Regulators To “Reject This Deal”,” Deadline, December 5, 2025, <https://deadline.com/2025/12/hollywood-teamsters-react-netflix-wb-merger-urge-rejection-1236637806/#:~:text=Hollywood%20Teamsters%20Disavow%20Netflix%20WB%20Merger%20As%20%E2%80%9CYet%20Another%20Call.Regulators%20To%20%E2%80%9CReject%20This%20Deal%E2%80%9D.>

⁴² Todd Spangler and Gene Maddaus, “WGA Forcefully Opposes Netflix-Warner Bros. Deal: ‘This Merger Must Be Blocked’,” Variety, December 5, 2025,

<https://variety.com/2025/film/news/wga-opposes-netflix-warner-bros-deal-merger-must-be-blocked-1236601433/>

⁴³ *Id.*

⁴⁴ Georg Szalai and Paul Bond, “Disney Closes \$71.3 Billion Fox Deal, Creating Global Content Powerhouse,” The Hollywood Reporter, March 19, 2019,

[hollywoodreporter.com/news/disney-closes-fox-deal-creating-global-content-powerhouse-1174498](https://www.hollywoodreporter.com/news/disney-closes-fox-deal-creating-global-content-powerhouse-1174498).

⁴⁵ Sarah Whitten, “Netflix’s plan to buy Warner Bros. throws the theater industry into upheaval,” CNBC, December 5, 2025, <https://www.cnn.com/2025/12/05/netflix-warner-bros-deal-theater-industry-upheaval.html>; Statista, “Number of movies released in the United States and Canada from 2000 to 2024,” November 27, 2025,

<https://www.statista.com/statistics/187122/movie-releases-in-north-america-since-2001/?srsltid=AfmBOoof68TA3-zAUuwZRLufTWmTcw48Roqo0PN4HA6SbMy2Iz3EC-kb>; The Numbers, “Domestic Movie Theatrical Market Summary 1995 to 2025,” <https://www.the-numbers.com/market/>; Felix Richter, “Covid, Strikes & Streaming: Fewer Movies Hit the Big Screen,” Statista, July 21, 2025, <https://www.statista.com/chart/34835/movies-released-in-theaters-in-north-america/#:~:text=The%20number%20of%20theatrical%20movie.leading%20to%20lower%20theatrical%20output.>

⁴⁶ FandomWire, “Disney Canceled Over 200 Films Fox Had in Development,” October 5, 2019,

<https://fandomwire.com/20th-century-fox-properties-that-disney-has-cancelled/>; Bailee Abell, “Disney cuts several major Fox movies from development,” Inside the Magic, August 9, 2019,

<https://insidethemagic.net/2019/08/disney-cuts-fox-movies-bal/>.

⁴⁷ Kevin Kelleher, “As Disney Lays off 3,000 Workers Post-Merger, Fox Corp. Gives Every Employee Stock Bonuses,” Yahoo Finance, March 21, 2019, <https://finance.yahoo.com/news/disney-lays-off-3-000-233416463.html>.

worked on films.⁴⁸ Disney has since used the “vast catalog of films and TV shows” it acquired to offer exclusives on its streaming service, Disney+.⁴⁹ Six years later, the number of movie⁵⁰ and theatrical⁵¹ releases still remain at a ten year low. This also means movie theaters have fewer options of what films to show. This trend would only continue with further studio consolidation. If Netflix acquires WBD and its film studio, not only are the number of movie releases expected to decline, but the company would “hold a noose around the theatrical marketplace.”⁵² Indeed, many industry insiders are warning that this deal would destroy Hollywood,⁵³ not save it like co-CEO Ted Sarandos has urged.⁵⁴ As writer, producer, director, and actor Michael Schur noted, “[w]hen companies at this level – in this industry – merge, it is bad for everyone.”⁵⁵

Given that Netflix’s business model is a direct threat to movie theaters, it would benefit the company to release movies directly to its streaming platform and withhold them for theaters entirely. Netflix already shortens release windows for films it controls from the pre-pandemic standard of 90 days down to 7 days.⁵⁶ Netflix will likely use its expanded market power from a WBD acquisition to impose shorter windows between when a movie is released in theaters to when it is moved to a streaming service for even more content, thereby slashing theater profits.⁵⁷

⁴⁸ Todd Spangler, “Disney Layoffs Cut Across TV, Film, Corporate Finance Affecting Hundreds of Employees,” *Variety*, June 2, 2025, <https://variety.com/2025/tv/news/disney-mass-layoffs-tv-film-finance-departments-1236415786/>.

⁴⁹ See, e.g., Disney+ to include reboots from Fox library. Andrew Boardwine, “Disney Rebooting \$600 Million Franchise, Immersed in Controversy,” *Inside the Magic*, July 17, 2023, <https://insidethemagic.net/2023/07/disney-rebooting-r-rated-franchise-controversy-ab1/>; Cooper Hood, “Disney+ Will Reboot Four Fox Movie Franchises,” *Screen Rant*, August 7, 2019, <https://screenrant.com/disney-plus-fox-movie-franchises-reboot/>; Dade Hayes and Patrick Hipes, “Disney+ To Revive ‘Home Alone’, ‘Night At The Museum’, More As Part Of Fox Reset,” *Deadline*, August 6, 2019, <https://deadline.com/2019/08/disney-plus-home-alone-night-at-the-museum-reboots-fox-1202662998/>.

⁵⁰ Statista, “Number of movies released in the United States and Canada from 2000 to 2024,” November 27, 2025, <https://www.statista.com/statistics/187122/movie-releases-in-north-america-since-2001/?srsltid=AfmBOof68TA3-zAUuwZRLufTWmTcw48Roqo0PN4HA6SbMy2Iz3EC-kb>; Sahil Mohan Gupta, “Netflix-Warner Bros \$82.7B Deal Faces \$108.4B Hostile Takeover: Analysis,” *Business World*, December 9, 2025, <https://www.businessworld.in/article/netflix-warner-bros-82-7b-deal-faces-108-4b-hostile-takeover-analysis-582852>.

⁵¹ The Numbers, “Domestic Movie Theatrical Market Summary 1995 to 2025,” <https://www.the-numbers.com/market/>.

⁵² Matt Donnelly, “Anonymous A-Listers Lobby Congress Against Netflix-WBD Acquisition: Streamer Would ‘Hold a Noose Around the Theatrical Marketplace’,” *Variety*, December 4, 2025, <https://variety.com/2025/film/news/anonymous-filmmakers-netflix-wbd-open-letter-congress-1236600659/>.

⁵³ Roy Price, “Netflix’s Swallowing of Warner Bros. Will Be the End of Hollywood,” *The New York Times*, December 6, 2025, <https://www.nytimes.com/2025/12/06/opinion/netflix-warner-bros-hollywood.html>.

⁵⁴ Ethan Shanfeld, “Netflix CEO Ted Sarandos Says Movie Theater Model is ‘Outdated’: ‘Most of the Country’ Cannot ‘Walk to a Multiplex’,” *Variety*, April 24, 2025, <https://variety.com/2025/film/news/netflix-ceo-ted-sarandos-movie-theaters-outdated-1236376565/>.

⁵⁵ X, Pablo Torre Finds Out, December 12, 2025, <https://x.com/pablofindsout/status/1999475414402797764>.

⁵⁶ See, e.g., Kasey Moore, “List of Netflix Movies Released Theatrically or Debuted at a Film Festival,” *What’s on Netflix*, August 26, 2025, <https://www.whats-on-netflix.com/what-to-watch/netflix-movies-released-theatrically-film-festival-debut/>;

Sarah Whitten, “‘Glass Onion’ could have made \$200 million, but Netflix only let it play in theaters for a week,” *CNBC*, November 29, 2022, <https://www.cNBC.com/2022/11/29/netflix-glass-onion-misses-out-millions-box-office.html>.

⁵⁷ Sarah Whitten, “Netflix’s plan to buy Warner Bros. throws the theater industry into upheaval,” *CNBC*, December 5, 2025, <https://www.cNBC.com/2025/12/05/netflix-warner-bros-deal-theater-industry-upheaval.html>.

That alone would significantly harm theaters. But the ultimate aim is to eradicate the release window entirely, to stop movies from being shown first in theaters. Netflix’s co-CEO Ted Sarandos said the company’s “primary goal is to bring first-run movies to our members.”⁵⁸ As Michael O’Leary, the CEO of Cinema United – the theater industry trade group – noted, Netflix’s acquisition of WBD is an “unprecedented threat” to the industry,⁵⁹ particularly for smaller, independent theaters– threatening the jobs and livelihoods of thousands of workers in every state.

To soften industry opposition and regulatory approval, Netflix said it “expects to maintain [WBD]’s current operations ... including theatrical releases for films.”⁶⁰ Some critics point out that Netflix has made no enforceable assurances this will be the case, nor has it committed to maintaining WBD’s theatrical release practices in the long run. But that line of argument understates the problem; there are no enforceable assurances Netflix could make that it will do what is not in its economic interest if it acquires WBD. That is why antitrust laws exist, so that we do not have to trust the pledges of self-interested actors, but can simply rely on the forces of competition to force firms to serve customers.

E. The Netflix-Warner Bros. Discovery Combination Also Threatens the Video Game Industry

The WBD deal could also make Netflix the “gaming giant it has struggled to become for years,”⁶¹ as the company has attempted multiple partnerships and launched Netflix Games to bring video games to the platform.⁶² By acquiring WBD – and Warner Bros. Games – Netflix

⁵⁸ Alex Weprin, “Why Now? Netflix Co-Chiefs Explain \$82.7 Billion Warner Bros. Deal Logic and Changes Ahead,” The Hollywood Reporter, December 5, 2025, <https://www.hollywoodreporter.com/business/business-news/netflix-ceos-outline-warner-bros-deal-hollywood-concerns-1236443159/>.

⁵⁹ Sarah Whitten, “Netflix’s plan to buy Warner Bros. throws the theater industry into upheaval,” CNBC, December 5, 2025, <https://www.cnbc.com/2025/12/05/netflix-warner-bros-deal-theater-industry-upheaval.html>.

⁶⁰ Netflix, “Separation of Discovery Global for a Total Enterprise Value of \$82.7 Billion (Equity Value of \$72.0 Billion),” press release, December 5, 2025, <https://about.netflix.com/en/news/netflix-to-acquire-warner-bros>.

⁶¹ Christopher Adams, “The Netflix Acquisition Will Make it the Gaming Giant It’s Struggled to Become For Years,” Game Rant, December 7, 2025, <https://gamerant.com/netflix-warner-bros-wb-purchase-video-games/>.

⁶² Timothy J. Seppala, “Game Night Upgrade: Netflix Games Just Arrived on Your TV,” Netflix, December 8, 2025, <https://www.netflix.com/tudum/articles/new-netflix-games-play-on-tv-2025>; Timothy J. Seppala, “Everything You Need to Know About Red Dead Redemption Mobile Edition,” Netflix, December 3, 2025, <https://www.netflix.com/tudum/articles/red-dead-redemption-mobile-game-news>;

Netflix, “Netflix Partners with Ubisoft to Create Three Exclusive Mobile Games for Members Around the World from 2023,” September 10, 2022, <https://about.netflix.com/en/news/netflix-partners-with-ubisoft-to-create-three-exclusive-mobile-games-for>; Jennifer Maas, “‘Hades,’ ‘Monument Valley’ and More Indie Mobile Games Leaving Netflix as Streamer Continues Strategy Shift,” Variety, June 24, 2025, <https://variety.com/2025/gaming/news/hades-mobile-game-leaving-netflix-1236439474/>;

Lawrence Nga, “Beyond Streaming: Netflix’s Quiet Moves Into Gaming and Live Experiences,” NASDAQ, October 4, 2025, <https://www.nasdaq.com/articles/beyond-streaming-netflixs-quiet-moves-gaming-and-live-experiences>.

would “secure[] ... a guaranteed spot in the AAA games business”⁶³ and acquire a number of mobile games – furthering its power as a media conglomerate. Bundling games and streaming would increase Netflix’s potential power over consumers and game developers. Many in the video game industry are worried that Netflix would shutter studios, lay off workers, and cancel a number of games, sitting on unused IP.⁶⁴ At the same time, Netflix could use its newfound power in the gaming industry to increase subscription prices for users – allowing access to video games only on the highest tier.⁶⁵ Currently, the company has limited market share – both for AAA and mobile games⁶⁶ – but this deal is likely to only help Netflix’s bargaining power in gaming.

F. The Netflix-Warner Bros. Discovery Combination Raises Concerns Under the Antitrust Laws and Merger Guidelines

Netflix’s proposed acquisition of WBD is likely to substantially lessen competition in multiple markets. Section 7 of the Clayton Act prohibits transactions that “may be substantially to lessen competition, or to tend to create a monopoly.”⁶⁷ If finalized, this deal appears poised to result in a substantial reduction in competition in subscription streaming video services, resulting in fewer competitors for the labor of actors, writers, producers, and other workers in the industry.

This deal also likely violates several of the federal merger guidelines, which antitrust enforcers use to review and challenge transactions.⁶⁸ First, it would eliminate substantial competition between two of the three largest streaming companies and further entrench Netflix as the dominant player in the subscription streaming video and content distribution industry.⁶⁹ Second,

⁶³ Christopher Adams, “The Netflix Acquisition Will Make it the Gaming Giant It’s Struggled to Become For Years,” Game Rant, December 7, 2025, <https://gamerant.com/netflix-warner-brothers-wb-purchase-video-games/>; Charles Harte, “Netflix is Acquiring Warner Bros. And Its Game Division, Including Netherrealm, Rocksteady, and More,”

<https://gameinformer.com/2025/12/05/netflix-is-acquiring-warner-bros-and-its-games-division-including-netherreal-m-rocksteady>.

⁶⁴ Christopher Adams, “The Netflix Acquisition Will Make it the Gaming Giant It’s Struggled to Become For Years,” Game Rant, December 7, 2025, <https://gamerant.com/netflix-warner-brothers-wb-purchase-video-games/>.

⁶⁵ *Id.*

⁶⁶ Patrick Seitz, “Netflix’s Video Game Side Hustle Remains a Head-Scratcher,” Investors, October 13, 2023, <https://www.investors.com/news/technology/video-games-netflix-has-high-hopes-for-new-market/>.

⁶⁷ 15 U.S.C. 18.

⁶⁸ The joint Department of Justice and Federal Trade Commission merger guidelines outline for the public how the antitrust agencies review and challenge potentially illegal transactions. *See, e.g.*, Stacy Mitchell and Ron Knox, “The Biden Administration’s Proposed Merger Guidelines: An Explainer,” Institute for Local Self-Reliance, August 10, 2023,

<https://ilsr.org/article/independent-business/the-biden-administrations-proposed-merger-guidelines-an-explainer/>.

⁶⁹ U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, Guideline 2, 6, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf; Lucas Shaw, “The Inside Story of How Netflix Won the Warner Bros. Auction,” Bloomberg, December 7, 2025, <https://www.bloomberg.com/news/newsletters/2025-12-07/the-inside-story-of-how-netflix-won-the-warner-bros-auction>.

it would result in fewer competing buyers for labor in the entertainment industry.⁷⁰ And finally, it would allow Netflix to reduce or completely eliminate the amount of time WBD films would play in theatres before releasing original movies straight to the streaming platforms,⁷¹ limiting access to products or services that its rivals use to compete.⁷²

G. Arguments in Favor of the Transaction are Meritless and Do Not Cure the Illegality of the Proposed Netflix-Warner Bros Combination

Despite the fact that the proposed transaction will clearly and significantly reduce competition, the parties are likely to raise a number of claims aimed at contesting the deal's illegality. For example, Netflix is likely to claim that it competes directly with YouTube and TikTok, and that any market share analysis should include those firms. In fact, Netflix Co-CEO Greg Peters has already insisted that Netflix would still be “behind YouTube”⁷³ for total viewership in the U.S if the deal is approved. At the same time, Netflix has argued that under its preferred market definition, a Paramount-Skydance-WBD deal would be illegal, as that company would become the top platform for viewership.⁷⁴ The truth is that Netflix does not compete with YouTube or TikTok directly for subscribers or content,⁷⁵ and such a premise is unreasonable. No one would pitch *Game of Thrones* to TikTok. Netflix is one of the “Big Three” subscription streaming video services for premium film and TV content, which includes services like Disney’s Disney+ and Hulu, and WBD’s HBO Max.⁷⁶

⁷⁰ U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, Guideline 10, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

⁷¹ Matt Donnelly, “Anonymous A-Listers Lobby Congress Against Netflix-WBD Acquisition: Streamer Would ‘Hold a Noose Around the Theatrical Marketplace’,” *Variety*, December 4, 2025, <https://variety.com/2025/film/news/anonymous-filmmakers-netflix-wbd-open-letter-congress-1236600659/>.

⁷² U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, Guideline 5, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf; Todd Spangler and Gene Maddaus, “WGA Forcefully Opposes Netflix-Warner Bros. Deal: ‘This Merger Must Be Blocked’,” *Variety*, December 5, 2025, <https://variety.com/2025/film/news/wga-opposes-netflix-warner-bros-deal-merger-must-be-blocked-1236601433/>;

Matt Donnelly, “Anonymous A-Listers Lobby Congress Against Netflix-WBD Acquisition: Streamer Would ‘Hold a Noose Around the Theatrical Marketplace’,” *Variety*, December 4, 2025, <https://variety.com/2025/film/news/anonymous-filmmakers-netflix-wbd-open-letter-congress-1236600659/>.

⁷³ Kayla Cobb, “Netflix Assets It Would ‘Still Be Behind YouTube’ in Viewing Time if Warner Bros. Deal Clears,” *The Wrap*, December 8, 2025, <https://www.thewrap.com/netflix-warner-bros-deal-behind-youtube/>.

⁷⁴ *Id.*

⁷⁵ *See, e.g.*, Jacob Linger and Hal Singer, “The Netflix-Warner Brothers Merger Would Harm Streaming Subscribers. It Should Be Blocked.” *The Sling*, December 18, 2025, <https://www.thesling.org/the-netflix-warner-brothers-merger-would-harm-streaming-subscribers-it-should-be-blocked/>.

⁷⁶ Jody Godoy, “Netflix’s \$72 billion Warner Bros deal faces skepticism over YouTube rivalry claim,” *Reuters*, December 12, 2025, <https://www.reuters.com/legal/litigation/netflixs-72-billion-warner-bros-deal-faces-skepticism-over-youtube-rivalry-claim-2025-12-12/>.

Netflix is already claiming that it needs to acquire WBD in order to compete with YouTube.⁷⁷ However, the argument that companies must merge in order to compete is antithetical to the antitrust laws, and often results in disastrous consequences for consumers, workers, the public, and the competitive marketplace.⁷⁸ Congress intended for the antitrust laws to prevent “even small mergers that add[] to concentration in an industry,”⁷⁹ and the Supreme Court determined that “[p]ossible economies” that result in an anticompetitive merger “cannot be used as a defense to illegality.”⁸⁰ Other judges have agreed that “[t]he ... goals of antitrust law are not met ... by permitting an otherwise unlawful merger to [allow firms] to compete with an industry giant.”⁸¹ And the Department of Justice and Federal Trade Commission’s merger guidelines focus on any transactions that threaten competition.⁸² There are a number of examples of this flawed argument on display. For example, in 2019, Judge Richard Leon allowed AT&T to merge with Time Warner because the companies argued the merger was necessary to compete with YouTube, Facebook, Netflix, and Amazon.⁸³ But as noted above, this deal resulted in sizable debt for the company, a loss of shareholder value, and mass layoffs – not greater competition.

Meanwhile, WBD is a viable entity that is doing quite well on its own.⁸⁴ While it is true that WBD has outstanding debt from previous mergers – \$53 billion as of 2022⁸⁵ – the company has “dramatically reduced [this] debt” according to WBD CEO David Zaslav.⁸⁶ In fact, Zaslav

⁷⁷ See, e.g., Jody Godoy, “Netflix’s \$72 billion Warner Bros deal faces skepticism over YouTube rivalry claim,” Reuters, December 12, 2025, <https://www.reuters.com/legal/litigation/netflixs-72-billion-warner-bros-deal-faces-skepticism-over-youtube-rivalry-claim-2025-12-12/>; CNBC, December 9, 2025, <https://www.youtube.com/watch?v=o0T6RSGosv0>.

⁷⁸ See, e.g., Ashley Nowicki and Laurel Kilgour, “Why Merge-to-Compete Arguments Are Contrary to the Letter and Spirit of Antitrust Laws and How Resulting Mergers Have Harmed the Public,” American Economic Liberties Project, December 11, 2024, <https://www.economicliberties.us/wp-content/uploads/2024/12/Debunking-Merge-to-Compete.pdf>.

⁷⁹ *Brown Shoe Co v. United States*, 323 n.39, 376. U.S. 294 (1962).

⁸⁰ *F.T.C. v. Procter & Gamble Co.*, 386 U.S. 568, 580 (1967); Jerry Cayford, “A Misreading of Procter & Gamble Has Long Hampered Antitrust Enforcement,” ProMarket, September 30, 2024, <https://www.promarket.org/2024/09/30/amisreading-of-procter-gamble-has-long-hampered-antitrust-enforcement/>.

⁸¹ *FTC v. Kroger Co. and Albertsons Companies, Inc.*, 3:24-cv-00347-AN, D.I. 521 (D. Or. Dec. 10, 2024), at p. 70, https://storage.courtlistener.com/recap/gov.uscourts.ord.178374/gov.uscourts.ord.178374.521.0_3.pdf.

⁸² U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” 2023, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

⁸³ Hadas Gold, “How Netflix and Amazon helped save the AT&T-Time Warner deal,” CNN, February 27, 2019, <https://www.cnn.com/2019/02/27/business/netflix-amazon-streaming-att-doj>.

⁸⁴ In antitrust cases, the failing firm defense applies only when the assets to be acquired would imminently cease playing a competitive role in the market even absent the merger, or if the “prospects of reorganization of [WBD are] dim or nonexistent.” Given WBD’s viability as a company, and the fact it was planning on reorganizing, the failing firm defense likely does not apply. See, e.g., U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, “Failing Firms,” p. 30, <https://www.justice.gov/d9/2023-12/2023%20Merger%20Guidelines.pdf#page=31>.

⁸⁵ Jack Benjamin, “Just how big is Warner Bros. Discovery’s debt problem?,” The Media Leader, August 9, 2022, <https://uk.themedialleader.com/just-how-big-is-warner-bros-discoverys-debt-problem/>.

⁸⁶ Yahoo Finance, “Warner Bros. Discovery, Inc. - (WBD) Q3 FY2025 earnings call transcript,” November 6, 2025, https://finance.yahoo.com/quote/WBD/earnings/WBD-Q3-2025-earnings_call-372068.html.

reportedly felt as though WBD “regained its footing” when bids for the company began.⁸⁷ Indeed, the company has seen success in a number of areas. For example, WBD was number one at the box office in 2025, becoming the first studio to earn \$4 billion worldwide,⁸⁸ and HBO Max has been profitable for the company.⁸⁹ The company's financial situation is only set to improve once the split is complete.⁹⁰ At the same time, free cash flows – which are a key indicator for a company's financial health – increased to \$700 million – up 11% from the previous year.⁹¹ The reality is this deal benefits a handful of corporate executives and shareholders who wish to consolidate power and earn millions of dollars in the process – including WBD CEO David Zaslav, who is expected to earn up to half a billion dollars if the deal is finalized.⁹²

II. Antitrust Enforcers Have Successfully Blocked Similar Deals

Similar mergers have been successfully blocked. In 2021, the DOJ sued to block Penguin Random House's proposed \$2.2 billion acquisition of Simon & Schuster. This deal would have further entrenched Penguin Random House as the most dominant player in the industry, “cement[ing] [the company] as #1 in the U.S.”⁹³ It also would have increased concentration in the highly concentrated book publishing market – and eliminated a head-to-head competitor – bringing the number of book publishers from five to four.⁹⁴ The deal also would have eliminated competition between buyers for publishing rights, hurting authors and ultimately consumers.⁹⁵ The deal ultimately would have allowed the merged company to “exert outsized influence over

⁸⁷ Lucas Shaw, “The Inside Story of How Netflix Won the Warner Bros. Auction,” Bloomberg, December 7, 2025, <https://www.bloomberg.com/news/newsletters/2025-12-07/the-inside-story-of-how-netflix-won-the-warner-bros-auction>.

⁸⁸ Anthony D' Alessandro, “Warner Bros First Studio This Year To Cross \$4 Billion At Global Box Office,” Deadline, September 26, 2025, <https://deadline.com/2025/09/warner-bros-box-office-2025-1236557609/>.

⁸⁹ Yahoo Finance, “Warner Bros. Discovery, Inc. - (WBD) Q3 FY2025 earnings call transcript,” November 6, 2025, https://finance.yahoo.com/quote/WBD/earnings/WBD-Q3-2025-earnings_call-372068.html.

⁹⁰ David Dayen, “Why Is Warner Bros. for Sale at All?,” The American Prospect, <https://prospect.org/2025/12/10/why-is-warner-bros-for-sale-at-all/>.

⁹¹ WBD, “Warner Bros. Discovery Reports Third-Quarter 2025 Results,” p. 1, https://s201.q4cdn.com/336605034/files/doc_financials/2025/q3/WBD_3Q25-Earnings-Report-11-06-25.pdf.

⁹² Rohan Goswami, “Zaslav stands to make \$500M from Warner Bros. Discovery sale,” Yahoo Finance, October 23, 2025, <https://finance.yahoo.com/news/zaslav-stands-500m-warner-bros-155620922.html>.

⁹³ Complaint, *United States v. Hewlett Packard Enterprise Co. and Juniper Networks, Inc.*, No. 3:25-cv-00951 (N.D. Cal. Jan. 30, 2025) at 3. <https://www.justice.gov/archives/opa/press-release/file/1445916/dl>; U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, Guideline 6, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

⁹⁴ Complaint, *United States v. Hewlett Packard Enterprise Co. and Juniper Networks, Inc.*, No. 3:25-cv-00951 (N.D. Cal. Jan. 30, 2025) at 4. U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, Guideline 1, 2, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

⁹⁵ Complaint, *United States v. Hewlett Packard Enterprise Co. and Juniper Networks, Inc.*, No. 3:25-cv-00951 (N.D. Cal. Jan. 30, 2025) at 7. U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, Guideline 10, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

which books are published ... and how much authors are paid for their work.” In 2022, Judge Florence Y. Pan agreed, noting that “authors [] are vulnerable to anticompetitive behavior.”⁹⁶

The Netflix-WBD deal presents a similar fact pattern. If Netflix acquires WBD, the number of streaming services will be reduced as Netflix and HBO Max – two of the three largest streaming services – would be controlled by the same parent company. Writers, actors, producers, and other professionals in the industry receive compensation from the studios and streaming services. Similar to the blocked book publishing merger, if the number of studios and streaming services is reduced, the merged company will also be able to “exert outsized influence” over what content is produced and how much creators in this industry are paid for their work.

III. Antitrust Enforcers Should Also Block Other Illegal Bids for Warner Bros. Discovery—Including From Paramount-Skydance

On December 8, 2025 – just days after WBD accepted Netflix’s bid for the company – Paramount-Skydance Corporation⁹⁷ (“Paramount-Skydance”) – a media conglomerate that creates and distributes content in studios and networks, streaming, news, and sports⁹⁸ – submitted what some in the media are labeling a “hostile” takeover bid for WBD, with the company offering \$108 billion cash to shareholders directly for the entire company,⁹⁹ and sending a number of letters to WBD, including accusing WBD of running an “unfair [bidding] process”¹⁰⁰ and making the case for why WBD should accept Paramount’s bid, claiming the deal would be “pro-competitive” and “have a favorable ... approval process by regulators.”¹⁰¹ Despite a

⁹⁶ U.S. Department of Justice, “Justice Department Obtains Permanent Injunction Blocking Penguin Random House’s Proposed Acquisition of Simon & Schuster,” press release, October 31, 2022, <https://www.justice.gov/archives/opa/pr/justice-department-obtains-permanent-injunction-blocking-penguin-random-house-s-proposed>; Opinion, *U.S. v. Bertelsmann SE & Co. KGaA, et. al.*, No. 21-2886-FYP. (D.D.C. Nov. 7, 2022). <https://www.courthousenews.com/wp-content/uploads/2022/11/usa-vs-penguin-random-house-ruling.pdf>.

⁹⁷ In 2025, Paramount and Skydance merged, *see, e.g.*, Paramount, “Skydance Media and Paramount Global Complete Merger, Creating Next Generation Media Company,” press release, August 7, 2025, <https://www.paramount.com/press/skydance-media-and-paramount-global-complete-merger-creating-next-generation-media-company>.

⁹⁸ Paramount, “Skydance Media and Paramount Global Complete Merger, Creating Next Generation Media Company,” press release, August 7, 2025, <https://www.paramount.com/press/skydance-media-and-paramount-global-complete-merger-creating-next-generation-media-company>.

⁹⁹ Benjamin Mullin and Lauren Hirsch, “Paramount Makes Hostile Bid for Warner Bros. Discovery,” *The New York Times*, December 8, 2025, <https://www.nytimes.com/2025/12/08/business/paramount-warner-bros-discovery-netflix.html>.

¹⁰⁰ Alex Werpin and Erik Hayden, “Paramount Calls Warner Bros. Sale Process ‘Unfair’ in Blistering Letter,” *The Hollywood Reporter*, December 4, 2025, <https://www.hollywoodreporter.com/business/business-news/paramount-calls-warner-bros-sale-process-unfair-in-blistering-letter-1236442302/>.

¹⁰¹ Erik Hayden, “How Paramount Attacked Netflix’s Bid for Warner Bros.,” *The Hollywood Reporter*, December 5, 2025, <https://www.hollywoodreporter.com/business/business-news/paramount-letter-netflix-comcast-warner-bros-1236442793/>.

provision in the Netflix-WBD deal that prevents WBD from seeking higher bids from Paramount or Comcast,¹⁰² WBD says it will “carefully review and consider [Paramount’s] offer.”¹⁰³

To date, Paramount-Skydance has submitted a number of unsuccessful bids for the company.¹⁰⁴ This follows the \$8 billion merger of Skydance Media and Paramount Global, which combined Skydance’s production with Paramount’s studios, networks, and streaming services,¹⁰⁵ along with Paramount-Skydance’s \$150 million acquisition of The Free Press, combining this publication with CBS News.¹⁰⁶ At the same time, the Ellison family may be taking partial control of TikTok – the short form video application with over 170 million U.S. users.¹⁰⁷ As the media landscape continues to consolidate, the risk of censorship only increases. Indeed, Paramount has already self-censored in an effort to “pass China’s movie review process.”¹⁰⁸

The combination of Paramount-Skydance and WBD would *also* further consolidate the media industry, and enforcers and lawmakers should be prepared to intervene if WBD chooses to sell to Paramount instead.¹⁰⁹ These companies are two of the top media conglomerates in the world,¹¹⁰ with each commanding sprawling portfolios in studios and networks, streaming video, news, and

¹⁰² Todd Spangler, “Warner Bros. Discovery Says It Will ‘Carefully’ Review Paramount Skydance Acquisition Offer and Issue a Recommendation in 10 Business Days,” *Variety*, December 8, 2025, <https://variety.com/2025/tv/news/warner-bros-discovery-review-paramount-skydance-acquisition-bid-1236603529/>.

¹⁰³ *Id.*

¹⁰⁴ Lauren Hirsch and Andrew Ross Sorkin, “Three Offers in One Month: Paramount’s Secret Pursuit of Warner Bros. Discovery,” *The New York Times*, October 22, 2025, <https://www.nytimes.com/2025/10/22/business/dealbook/paramounts-secret-bids-warner-bros-discovery.html>.

¹⁰⁵ Paramount, “Skydance Media and Paramount Global Complete Merger, Creating Next Generation Media Company,” press release, August 7, 2025, <https://www.paramount.com/press/skydance-media-and-paramount-global-complete-merger-creating-next-generation-media-company>; Benjamin Mullin, “FCC Approves Skydance’s \$8 Billion Merger With Paramount,” *The New York Times*, July 24, 2025,

<https://www.nytimes.com/2025/07/24/business/media/fcc-skydance-merger-paramount.html>; Federal Communications Commission, “FCC Approves Skydance’s Acquisition of Paramount CBS,” July 24, 2025, <https://www.fcc.gov/document/fcc-approves-skydances-acquisition-paramount-cbs>; U.S. Department of Justice and the Federal Trade Commission, “Merger Guidelines,” December 18, 2023, Guideline 7, 8, https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf.

¹⁰⁶ Paramount, “Paramount Announces Deal to Acquire the Free Press,” press release, October 6, 2025, <https://www.paramount.com/press/paramount-announces-deal-to-acquire-the-free-press>; Lauren Hirsch and Benjamin Mullin, “Bari Weiss Closes In on Major Role at CBS News,” *The New York Times*, September 10, 2025, <https://www.nytimes.com/2025/09/10/business/media/cbs-news-bari-weiss-free-press.html>; PBS News, “CBS buys commentary website The Free Press, installs founder Bari Weiss as CBS News editor-in-chief,” October 6, 2025, <https://www.pbs.org/newshour/nation/cbs-buys-commentary-website-the-free-press-installs-founder-bari-weiss-as-cbs-news-editor-in-chief>.

¹⁰⁷ David Streitfeld and Theodore Schleifer, “Larry Ellison, a Media Mogul Like No Other,” *The New York Times*, September 23, 2025, <https://www.nytimes.com/2025/09/23/technology/larry-ellison-oracle-tiktok.html>.

¹⁰⁸ Natalie O’Neill, “Hollywood censors movies to please Chinese government: report,” *The New York Post*, August 6, 2020, <https://nypost.com/2020/08/06/hollywood-studios-are-censoring-movies-for-chinese-market-report/>.

¹⁰⁹ Adam Chitwood, “Paramount Goes Hostile, Launches \$30 Per Share Bid for Warner Bros. Discovery in Attempt to Thwart Netflix,” *The Wrap*, December 8, 2025, <https://www.thewrap.com/paramount-hostile-warner-bros-discovery-takeover-bid/>.

¹¹⁰ Companies Market Cap, “Largest media and press companies by market cap,” <https://companiesmarketcap.com/media-press/largest-media-and-press-companies-by-market-cap/>.

sports.¹¹¹ A Paramount-WBD combination would create one of the largest media conglomerates in the country, reduce the number of movie studios from five to four, combine the fourth and fifth large streaming services,¹¹² consolidate leading news networks, and create what would likely be the largest “sports superpower” in terms of broadcasting rights.¹¹³ Those sports rights would also be held by a conglomerate that combined streaming services, allowing the entity to push sports fans to expensive subscription services, a “media and sports behemoth.”¹¹⁴ Indeed, Paramount CEO David Ellison reportedly told WBD CEO David Zaslav that they needed to “join forces” in order to compete with Netflix, Amazon, and Disney streaming services,¹¹⁵ attempting to justify what would be an illegal deal.¹¹⁶ Similar to the transaction with Netflix, combining Paramount and WBD would likely lead to higher prices,¹¹⁷ job losses, decreased worker compensation, and give Paramount control over the quantity and quality of content and coverage being produced and aired – restricting diversity in news, media, and entertainment and consumer choice.¹¹⁸

IV. Conclusion

The prospect of further consolidation in the media and entertainment industry – including streaming video and broadcast television markets – raises serious antitrust concerns that lawmakers and enforcers should closely scrutinize. As detailed above, an acquisition of WBD, in whole or in part, that consolidates the video streaming or film and television production markets as the potential Netflix, Paramount, or Comcast transactions would deepen the media

¹¹¹ Both entities create and produce film and television content, own and operate direct-to-consumer products including streaming services, and own and operate news and sports outlets. CSI Market, “Description of Warner Bros. Discovery Inc’s Business Segments,” <https://esimarket.com/stocks/segments.php?code=WBD>; Paramount, “Skydance Media and Paramount Global Complete Merger, Creating Next Generation Media Company,” press release, August 7, 2025, <https://www.paramount.com/press/skydance-media-and-paramount-global-complete-merger-creating-next-generation-media-company>.

¹¹² David Satin, “How many subscribers do top streamers have?,” *The Streamable*, June 10, 2025, <https://thestreamable.com/subscriber-total-every-streaming-service>.

¹¹³ Ryan Glasspiegel, “ParamountWBD Merger Would Create Sports Superpower,” *Front Office Sports*, September 11, 2025, <https://frontofficesports.com/paramount-wbd-merger-would-create-sports-superpower/>.

¹¹⁴ Ryan Glasspiegel, “Paramount-WBD Merger Would Create Sports Superpower,” *Front Office Sports*, September 11, 2025, <https://frontofficesports.com/paramount-wbd-merger-would-create-sports-superpower/>; Alex Sherman and Contessa Brewer, “CNBC Sport: What to expect as Paramount bid for WBD looms,” *CNBC*, October 2, 2025, <https://www.cnbc.com/2025/10/02/cnbc-sport-what-to-expect-as-a-paramount-bid-for-wbd-looms.html>.

¹¹⁵ Lucas Shaw, “The Inside Story of How Netflix Won the Warner Bros. Auction,” *Bloomberg*, December 7, 2025, <https://www.bloomberg.com/news/newsletters/2025-12-07/the-inside-story-of-how-netflix-won-the-warner-bros-auction>.

¹¹⁶ See, e.g., Ashley Nowicki and Laurel Kilgour, “Why Merge-to-Compete Arguments Are Contrary to the letter and Spirit of Antitrust Laws and How Resulting Mergers Have Harmed the Public,” *American Economic Liberties Project*, December 11, 2024, <https://www.economicliberties.us/wp-content/uploads/2024/12/Debunking-Merge-to-Compete.pdf>.

¹¹⁷ Taylor Nimmo, “Streaming prices jump again as Hulu, Disney Plus and HBO Max raise rates,” *Cincinnati WCPO*, October 24, 2025, <https://www.wcpo.com/hulu-disney-hbo-max-raise-prices-october-2025>.

¹¹⁸ David Dayen, “The Flaw in Trump’s MAGA Media Empire Plot,” *The American Prospect*, October 30, 2025, <https://prospect.org/2025/10/30/flaw-in-trumps-maga-media-empire-plot/>.

consolidation crisis and be presumptively illegal under the antitrust laws. Each transaction would harm content creators, workers, consumers, small businesses, and the public writ large. Not only should the Subcommittee continue to exert oversight of consolidation in the media industry, it should also ensure that any investigation into the acquisition of WBD by any party occurs without political interference.