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Don't let what happened to Spirit Airlines happen to Warner Bros



California Attorney General Rob Bonta during a press conference in Los Angeles on Friday, March 20, 2026. (Photo by Sarah Reingewirtz, Los Angeles Daily News/SCNG)



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California has become increasingly hostile to private-sector businesses—and especially to mergers. Leading that charge is Attorney General Rob Bonta, whose aggressive antitrust agenda prioritizes ideology over consumer welfare. By opposing deals that could strengthen struggling companies, such as the blocked JetBlue-Spirit merger, Bonta’s approach has frequently left consumers, workers, and taxpayers worse off. Now, reports suggest his next target could be a Paramount-Warner Bros. merger, risking yet another case where consumers become collateral damage.

Early last month, most of California’s Democratic congressional delegation expressed concern to Bonta over Paramount’s pending acquisition of Warner Bros. Discovery, urging a careful review to ensure it doesn’t harm workers and consumers. A careful review is absolutely necessary, as former California AG Lockyer recently noted, but it seems these politicians have already concluded that the AG should oppose this merger.

Yet, before lawmakers rush to “save” Americans from harms that exist largely in esoteric antitrust theories rather than in the real world, they should learn some lessons from Bonta’s role in aiding Spirit Airlines’ demise by blocking its proposed merger with JetBlue. He characterized his successful lawsuit defeating the merger as a “big win for consumers.” Hardly.

Since the AG’s “victory,” Spirit Airlines has filed for bankruptcy. As a result, the airline laid off 15,000 workers, stranded thousands, and left consumers with one less budget-friendly option for air travel. That’s not consumer protection.

The AG’s decision to join a lawsuit led by the Department of Justice to block the proposed airline merger in 2023 was not grounded in a dispassionate analysis of how the potential deal would affect competition in the marketplace or consumer prices. Instead, it was premised on a trendy new antitrust philosophy that reflexively views any corporate consolidation as inherently suspicious, regardless of any impacts on prices.

In recent years, regulators have increasingly eschewed the longstanding consumer welfare standard holding that antitrust action should only be taken in response to clear evidence that market concentration is harming consumers, in favor of a “big is bad” standard. This narrow focus blinded regulators to how a struggling airline like Spirit could have benefited from the scale and cost synergies of a merger, providing better services to consumers. Unfortunately, AG Bonta now faces pressure to repeat the same mistake with Warner.

Once a Hollywood powerhouse, Warner is now a shadow of its former self. Years of questionable decisions left the company burdened with an unsustainable debt load, currently standing at over \$30 billion. After years of struggling to eke out consistent profits, the firm even announced plans last year to split itself into two separate entities before Paramount’s bid.

Critics of this deal have raised concerns that combining Paramount and Warner under one roof could reduce content production and harm workers across California’s entertainment industry. But that gets the problem exactly backward. A highly indebted Warner is hardly in a position to make new major investments and create jobs. Yet, in an increasingly global production environment, sustained capital investment is exactly what California’s entertainment ecosystem needs to survive.

Against this backdrop, allowing two legacy Hollywood studios to merge is anything but a threat to competition. In fact, the economies of scale created by a tie-up would allow the new company to take the necessary risks to remain competitive against the multinational technology conglomerates that currently dominate streaming, thereby preventing even further market concentration in media production.

Allowing Paramount to rescue Warner would undoubtedly benefit the local entertainment industry. Keeping up with large streaming platforms will require the new firm to focus on creating new original content, and, to that end, Paramount has already announced plans to release thirty films per year once it finalizes the merger. This steady supply of new projects will buttress a local ecosystem that has increasingly lost business to competing production hubs.

Antitrust enforcement remains an important tool to address circumstances where market concentration harms consumers and commerce. Yet, the Spirit Airlines debacle shows that regulators can do more harm than good if they allow theories about competitive markets found in textbooks to override how businesses actually function in the real world.

AG Bonta declared a victory that ultimately harmed consumers. He should think twice before “fixing” a problem the market is already addressing on its own.

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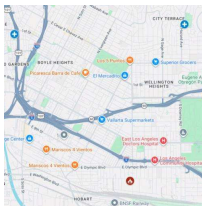
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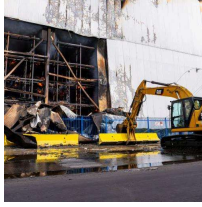


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