PREPARED STATEMENT FOR THE RECORD OF

WRITERS GUILD OF AMERICA WEST

and

WRITERS GUILD OF AMERICA EAST

for the

SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

at a hearing entitled

“SHUT YOUR APP: HOW UNCLE SAM JAWBONED BIG TECH INTO SILENCING AMERICANS”

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Media Consolidation Enables Censorship and is a Threat to Workers, Consumers, and American Culture

The Writers Guild of America West (WGAW) and Writers Guild of America East (WGAE) appreciate the opportunity to submit this statement for the record concerning the hearing entitled "Shut Your App: How Uncle Sam Jawboned Big Tech into Silencing Americans" on behalf of our membership. WGAW is a labor organization representing more than 11,000 professional writers of films, television and streaming series, and news programming. WGAE is a labor union of more than 7,500 members working in film, television, news, podcasts and online media.

For decades, the Guilds have called attention to the threat that concentrated market power in media poses to diversity of content and variety of viewpoints, in the context of mergers, antitrust policy, and broadcast and internet regulations. Our members are directly affected by the lack of competition in media—a consolidated handful of employers have tremendous power to pressure writer compensation and working conditions and to gatekeep what stories can be seen in theaters, on television and on streaming services.

Recent events have illustrated how easily this concentration of power transforms into direct censorship. ABC's decision to stop airing *Jimmy Kimmel Live!* after pressure from the Trump Administration and Nexstar Media Group followed Paramount's cancellation of *The Late Show with Stephen Colbert* during the federal government's review of the Paramount-Skydance merger.[1] Still more consolidation looms on the horizon. Powerful and consolidated gatekeepers already exercise considerable control over free speech by deciding what programming reaches Americans and unless consolidation in this industry is addressed, censorship of Americans by large conglomerates and the federal government will remain unchecked.

Mergers have Consolidated Control over Media

Deregulation and antitrust underenforcement over the last few decades have allowed for waves of consolidation in the media industry, leaving just a handful of major studios with control over the marketplace. Over the last two decades, more than $435 billion worth of mergers and acquisitions have been completed in media production or distribution.[2] These mergers have increased the power of corporations to the detriment of writers, viewers, and competition.

After the Disney-Fox merger, for example, Disney closed the competing Fox animation studio, pulled back content it had licensed to Netflix, banned Netflix from advertising on its television entertainment networks, and pressed creators and other workers to forego sharing in future licensing revenue on Disney shows. Disney's serial acquisitions of Pixar, Marvel, Lucasfilm, and Fox have reduced innovative development in favor of focusing on franchise films, reducing variety and choice at the theater. The company now owns two of the four largest

[1] Press Release, WGA Statement on ABC's Decision to Pull *Jimmy Kimmel Live!* WGAW (Sept. 17, 2025), https://www.wga.org/news-events/news/press/2025/wga-statement-on-abc-decision-to-pull-jimmy-kimmel-live.

[2] WGAW, BROKER PROMISES: MEDIA MEGA-MERGERS AND THE CASE FOR ANTITRUST REFORM (2021), https://www.wga.org/uploadedfiles/news_and_events/public_policy/broken-promises-merger-report.pdf.

streaming services in the U.S., Disney+ and Hulu, and has announced plans to combine them. After the Warner-Discovery merger, the company canceled, pulled, or wrote off $2 billion in content, including numerous projects created by or about people of color, and laid off hundreds of workers. WarnerMedia and Discovery are now essentially up for sale as the pre-merger companies; yet another in a series of mergers that purported to create better competitors, but instead result in merged entities burdened by debt and focused on rationalizing their disastrous business decisions by cutting costs.

Streaming is Accelerating the Problems of a Consolidated Media Landscape

In recent years, streaming video has become the dominant distribution platform for content while also becoming increasingly vertically integrated. In the 2024-2025 television season, 78% of original scripted streaming series were distributed by four companies, Netflix, Disney, Amazon and Apple.[3] The entertainment industry's major employers also combine content production and distribution arms in order to self-supply their own content globally on their affiliated streaming services. In the 2024-2025 television season, nearly three-quarters of online scripted content on the major streaming platforms was self-supplied.[4] This market structure forecloses competition from independent producers and distributors, enables monopsony power over writers and other industry workers, and gives conglomerates outsized control over what content reaches audiences.

In the current streaming landscape, independent producers must compete with affiliated studios to sell content to the studios' streaming services, leaving them with few opportunities for accessing consumers. Meanwhile, a new competitor in streaming distribution would have difficulty licensing the third-party premium content it needs to offer a competitive service. The Disney-Fox and AT&T-Time Warner mergers, for instance, were both immediately followed by those companies withdrawing their content from competing services like Netflix and Amazon in favor of launching Disney+ and HBO Max.[5] And in order to reach the end consumer, new streaming distribution entrants must strike deals with platform gatekeepers Amazon Fire TV, Roku, or Apple TV—which together control two-thirds of the U.S. connected TV market[6]—to

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[3] Writers Guild of America West Internal Data, 2025 (on file with WGAW) (based on WGA-covered scripted series).

[4] The major streaming platforms are Amazon Prime Video, Apple TV+, Disney+, HBO Max, Hulu (folding into Disney+), Netflix, Paramount+ and Peacock. Writers Guild of America West Internal Data, 2025 (on file with WGAW) (based on WGA-covered scripted series).

[5] *See, e.g.*, Michelle Castillo, *Disney Will Pull Its Movies From Netflix and Start Its Own Streaming Services,* CNBC (Aug. 8, 2017), https://www.cnbc.com/2017/08/08/disney-will-pull-its-movies-from-netflix-and-start-its-own-streaming-services.html; Sarah Perez, *Disney+ Gains the Marvel Series From Netflix and New Parental Controls*, TECHCRUNCH (Mar. 1, 2022), https://techcrunch.com/2022/03/01/disney-gains-the-marvel-series-from-netflix-and-new-parental-controls/; Ben Munson, *HBO Max Expects Subscriber Impact From Amazon Channels Exit*, FIERCE VIDEO (Aug. 11, 2021), https://www.fiercevideo.com/video/hbo-max-expects-subscriber-impact-from-amazon-channels-exit.

[6] Press Release, Pixalate's Q2 2025 Global Connected TV Device Market Share Reports: Roku Leads in North America (37%) and LATAM (45%), Samsung No. 1 in EMEA (33%), Xiaomi Leads in APAC (24%) (2025), https://finance.yahoo.com/news/pixalate-q2-2025-global-connected-143100935.html.

have their apps available on the services, a barrier that reportedly inhibited the launches of HBO Max and Peacock.[7] This market structure and the mergers that created it raise substantial barriers to entry, reduce innovation in content production, and increase the ability of gatekeepers to impose their own restrictions on what content gets made—while making further consolidation more likely.

Streaming's dominant employers have also used their leverage to push down writers' pay. In 2023, writers went on strike for nearly five months to improve compensation and employment terms as practices such as short-term, more precarious employment and caps on experienced writer compensation had spread between employers to become "standard." The lack of competition and vertical integration has also led to disputes among the bargaining parties in the period between contract negotiations. For example, the WGAW has collected millions in underpayment from Paramount[8] and Netflix[9] for undervaluing "imputed" license fees to vertically-integrated streaming services, and has filed related claims against Disney and NBCUniversal. Each of these disputes stems directly from the increasing consolidation of the media companies.

In the streaming market, instead of dynamic competition, we also see all the major firms raising prices and reducing content spending in parallel, leaving consumers to pay more for less, hallmarks of a concentrated market. And despite these already anticompetitive conditions, Wall Street continues to call for further consolidation. More mergers will leave even fewer firms in control of what content can reach audiences, and diminished variety in media's marketplace of ideas. And as the suspension of *Jimmy Kimmel Live!* and cancellation of *The Late Show of Stephen Colbert* illustrate, the lack of competition can easily facilitate explicit censorship.

Congress Must Act

Over the past few months, both Comcast-NBCUniversal and Warner Bros. Discovery have announced plans to spin off their linear networks to better position themselves for future M&A transactions. The newly combined Paramount-Skydance, immediately after that merger's conclusion, is exploring a bid for all of the assets of Warner Bros. Discovery, which would combine two major streaming services, movie and television studios, and a suite of television networks under a single owner. Absent government intervention, more harmful mergers are on the horizon as each merger spurs reactive consolidation among the remaining firms. But even the

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[7] HBO Max and Peacock customers were unable to access the new streaming services through Amazon devices when they launched in 2020 because the companies had not reached agreement. Peacock and HBO's disputes reportedly stemmed from executives' desires to keep their streaming services outside of Amazon Channels to retain control of the user experience and viewership data. News commentary suggested that the lack of Amazon Fire carriage notably slowed subscriber growth at these services, and when HBO Max finally reached a deal with Amazon months later, the terms included an extension of WarnerMedia's contract with Amazon Web Services, its cloud computing platform.

[8] Cynthia Littleton, *WGA Sets $3.4 Million Settlement With CBS for All Access Streaming Residuals*, VARIETY (Apr. 15, 2021), https://variety.com/2021/tv/news/wga-cbs-streaming-settlement-all-access-1234952956/.

[9] Katie Kilkenny, *Writers Guild Arbitration With Netflix Yields $42M in New Residuals for Members*, THE HOLLYWOOD REPORTER (Aug. 4, 2022), https://www.hollywoodreporter.com/business/business-news/wga-netflix-residuals-42-million-writers-1235192877/.

existing level of consolidation and vertical integration in the media industry is unacceptable and demands scrutiny, as we have recently seen it put free speech at risk. Congress must explore creative solutions that address the current level of consolidation, including limits on the ability of streaming services to own the content on their platforms, which was a condition of the Financial Interest and Syndication rules imposed on the broadcast networks when they held similar levels of control over content distribution. Failing to act will allow streaming services to dictate what stories are told, and permit media conglomerates to exercise their economic power as political power.