PREPARED STATEMENT FOR THE RECORD OF

WRITERS GUILD OF AMERICA WEST

and

WRITERS GUILD OF AMERICA EAST

for the

COMMITTEE ON THE JUDICIARY

SUBCOMMITTEE ON ANTITRUST, COMPETITION POLICY & CONSUMER RIGHTS

UNITED STATES SENATE

at a hearing entitled

"EXAMINING THE COMPETITIVE IMPACT OF THE PROPOSED NETFLIX-WARNER BROTHER TRANSACTION"

FEBRUARY 3, 2026

THE WARNER BROS. ACQUISITION IS A THREAT TO WORKERS, CONSUMERS, AND AMERICAN CULTURE—IT MUST BE BLOCKED

The Writers Guild of America West (WGAW) and Writers Guild of America East (WGAE) appreciate the opportunity to submit this statement for the record on behalf of our membership for the hearing entitled "Examining the Competitive Impact of the Proposed Netflix-Warner Brothers Transaction." 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, writers have called attention to the threat that concentrated market power in media poses to workers, consumers, and the diversity of content and variety of viewpoints. Our members are directly affected by the lack of competition in media. Today, a consolidated handful of employers have tremendous power to exert downward pressure on writer compensation and working conditions. They also have the power to dictate what stories can be seen in theaters, on television and on streaming services.

Against this backdrop, the proposed acquisition of Warner Bros. by Netflix, the world's largest streaming company and one of Warner Bros. most significant competitors, threatens to worsen this crisis. If consummated, the proposed merger would eliminate a direct competitor, leading to layoffs, reduced wages, and worsened conditions for all entertainment workers. It would also lead to significantly higher prices for consumers, and reduce the volume and diversity of content for all viewers. This merger is what antitrust laws were designed to prevent. It must be blocked.

We are also deeply concerned about an acquisition of Warner Bros. by another major studio, including Paramount. As we will discuss in this statement, the media industry is highly concentrated, and consolidating the industry further will harm workers, consumers, and competition more generally. We strongly oppose additional consolidation.

The Media Industry is Highly Concentrated Due to Lax Antitrust Enforcement

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.[1] 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

[1] WGAW, BROKEN 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.

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 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. We have already seen the harmful effects of the Paramount-Skydance merger in the form of buyouts and layoffs—the company has since laid off 1,000 workers, including more than 30 of WGAE's members who work in broadcast news—with additional layoffs planned. Unsurprisingly, Paramount has already promised $6 billion in savings should they acquire Warner Bros, including significant layoffs.[2]

Streaming is Accelerating the Problems of Media Consolidation

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

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[2] Meg James, *Paramount outlines plans for Warner Bros. cuts*, AOL (Jan 27, 2026) https://www.aol.com/news/paramount-outlines-plans-warner-bros-172016776.html.

[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.

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 have their apps available on the services, a barrier that reportedly inhibited the launches of large platforms like 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, all 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. Practices such as short-term employment and caps on experienced writer compensation, had spread among other 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.

These firms have also raised prices and reduced content spending in parallel, leaving consumers paying more for less—hallmarks of an unhealthy market. Netflix alone has increased costs for its standard tier without ads from $12.99 in 2020 to $17.99, an increase of nearly 40% in less than five years.[10] 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 diminish variety in media's marketplace of ideas.

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[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.

[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/.

[10] Todd Spangler, *Netflix Raises Price of Standard Monthly Plan in U.S. to $14 per month*, VARIETY (Oct. 29, 20202), https://variety.com/2020/digital/news/netflix-increases-prices-us-monthly-plans-1234819132/; Dade Hayes & Jill Goldsmith, *Netflix Raising Prices on Subscription Plans in U.S.; Ad Tier Will Now Cost $7.99 A Month*, DEADLINE (Jan. 21, 2025), https://deadline.com/2025/01/netflix-price-hike-subscription-plans-us-1236262796/.

The Acquisition of Warner Bros. by Netflix, Paramount, or Another Major Competitor Will Harm Workers, Consumers, and Diminish American Culture

Like many in our industry, we are deeply opposed to the acquisition of Warner Bros. by Netflix or another major competitor, including Paramount. The acquisition and pending consolidation of two media giants is problematic regardless of whether the buyer is Netflix, Paramount, or another major streaming company or studio. These companies should focus on investing in their own businesses, rather than wasting tens of billions to buy up the competition.

Warner Bros. and Netflix are vertically integrated companies, producing content and distributing it around the world on their streaming services—Netflix is already the world's largest streamer, and both are major TV and theatrical producers and employers for our members. Netflix used to be the upstart competitor, buying content from smaller and mid-size studios, making more niche programming. But in recent years, Netflix has grown into a powerful incumbent focused on pure vertical integration, cutting out independent producers and the writers who create for them, and increasing Netflix's control of the production market. Netflix has never produced a series or a movie for another distributor—they only create programming to self-distribute around the globe, keeping everything in their own walled garden. Control of Warner Bros.' valuable intellectual property will exacerbate this problem, allowing Netflix to leverage Warner Bros.' massive library of content and its original production to reinforce Netflix's market power and foreclose rivals' access to "must-have" content. A combined Warner Bros. and Netflix would create a behemoth with tremendous leverage to reduce content, raise prices, suppress member compensation and worsen working conditions.

Importantly, an acquisition of Warner Bros. by Paramount or another major studio would lead to the same dire consequences for our members. Either merger would eliminate a buyer of our members' work and a producer of scripted content. Lower pay for writers also means fewer writers can earn a living from their writing work. As the D.C. District Court observed in its decision blocking Penguin Random House's proposed acquisition of Simon & Schuster, this consolidation leads to "less variety in the marketplace of ideas, and an inevitable loss of intellectual and creative output."[11]

Warner Bros. Is Not a Failing Firm

Warner Bros.' streaming segment is already profitable, with 128 million streaming subscribers, and the company projects growing to 150 million subscribers by the end of 2026 and increasing profitability.[12] Its studios enjoyed a "record-setting year" in 2025, surpassing $4 billion in global box office revenue with hits like *Superman and Sinners* and *Minecraft*.[13] Wall

[11] United States v. Bertelsmann SE & Co. KGaA, 646 F. Supp. 3d 1, 23 (D.D.C. 2022).

[12] Warner Bros. Discovery, Warner Bros. Discovery Reports Third-Quarter 2025 Results (2025), https://s201.q4cdn.com/336605034/files/doc_financials/2025/q3/WBD_3Q25-Earnings-Report-11-06-25.pdf; Warner Bros. Discovery, *Q3 Shareholder Letter* 2, 3 (2025), https://s201.q4cdn.com/336605034/files/doc_earnings/2025/q3/earnings-result/WBD-3Q25-Shareholder-Letter.pdf.

[13] *Id.*

Street firm MoffettNathanson estimates the company will generate almost $3 billion in free cash flow in 2025 and estimates that the company's overall revenue reached $37 billion in 2025.[14]

The company also continues to pay down its debt, much of it acquired through prior failed mergers.[15] In 2018, after a two-year regulatory battle, AT&T acquired Time Warner for $85 billion and renamed the company WarnerMedia.[16] Just four years later in 2022, AT&T sold WarnerMedia to Discovery Inc., forming Warner Bros. Discovery. That deal resulted in tens of billions of dollars in losses for shareholders.[17]

Merger after merger in the entertainment industry has promised benefits that never materialize, instead producing lower wages, higher prices, less choice and less innovation.[18] Warner Bros. Discovery—and its shareholders and workers—would be better served by investing in organic growth.

Congress Must Act

Absent government intervention, the acquisition of Warner Bros. by either Netflix or Paramount will harm workers, consumers, and competition in the media industry. But the existing level of consolidation and vertical integration in the media industry is already unacceptable and demands scrutiny. 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 control over content distribution and production. 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.

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We welcome the Subcommittee's attention to the harms of consolidation in the media industry, including through the proposed acquisition of Warner Bros. We urge the Subcommittee to vigorously scrutinize the proposed merger, and stand ready to work with you to develop legislative solutions to restore competition in the media landscape.

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[14] *See, e.g.*, MoffettNathanson, *WBD: Show Me the Bidders*, (Nov. 6, 2025).

[15] Warner Bros. Discovery Reports Third Quarter 2025 Results, November 6, 2025 (2025), https://www.wbd.com/news/warner-bros-discovery-reports-third-quarter-2025-results.

[16] Greg Rosalsky, *The Warner Bros. Curse*, NATIONAL PUBLIC RADIO (Dec. 16, 2025), https://www.npr.org/sections/planet-money/2025/12/16/g-s1-102314/the-warner-bros-curse.

[17] *Id.*

[18] WGAW, BROKEN 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.