



Paramount Skydance Corporation
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Dear Jared and Maya:

We write in response to the white paper the International Brotherhood of Teamsters submitted to you on March 12, 2026, regarding Paramount Skydance’s (“Paramount”) proposed acquisition of Warner Bros. Discovery, Inc. (“WBD”).¹ In that paper, the Teamsters voiced concerns about what the Paramount-WBD transaction might mean for union members. In particular, the Teamsters shared their worry that the Parties might cut back on the number of films and shows that they produce after the Transaction, which could result in fewer work opportunities for Teamsters’ members, including the Motion Picture and Theatrical Trade Division (“Motion Picture Division”).

The Teamsters are fierce advocates for their members, and it is of course natural for the Teamsters to want to better understand what the proposed Transaction might mean for the union’s members. As we have demonstrated for you over the course of the last five months in DOJ’s merger investigation, however, Paramount acquiring WBD will not reduce work opportunities for the Teamsters or other organized labor. Quite the opposite: organized labor will directly benefit from the new competitive energy and increased content investment that the combined firm will bring to the entertainment industry.

¹ Press Release, Teamsters, Without Worker Protections, DOJ Must Block Paramount-Warner Merger (Mar. 12, 2026), <https://teamster.org/2026/03/teamsters-without-worker-protections-doj-must-block-paramount-warner-merger/>.

The Transaction’s positive impacts on organized labor flow naturally from the business logic that drives the underlying deal. Paramount wants to combine with WBD to create a stronger, more efficient competitor that will operate at scale and take on Netflix and the other streaming giants. Content is the “fuel” that drives Paramount’s ability to compete. Competing at scale will require Paramount to generate more content across its films, streaming, and linear television offerings. Paramount cannot enhance and expand content production without organized labor, and the Teamsters and other unions will stand as must-have partners for Paramount for years to come. More content means more work opportunities for organized labor of all types—writers, actors, directors, and other above-the-line talent, as well as drivers, location scouts, casting directors, catering professionals, mechanics, animal handlers, and the many other skilled workers who make productions possible.

The Transaction presumably will spur other production opportunities, as well. As Paramount pushes forward with its “content-first” growth strategy, firms like Netflix, Amazon MGM, Disney, Universal, Sony, Lionsgate, A24, Apple, and many others will need to respond in kind, presumably by enhancing their own content creation strategies. (Indeed, Netflix’s panic-level response and scorched-earth campaign to try and poison regulators and other stakeholders against the Transaction shows just how seriously Netflix takes Paramount as a scaled competitor.) Invigorated competition to produce more content across the entertainment industry will translate to more opportunities for organized labor beyond Paramount’s projects. In short, this deal is a win for the Teamsters and other labor unions.

We are not asking the DOJ (or the Teamsters, or any other stakeholders) to take on faith that a combined Paramount-WBD will invest more in content: the business imperatives that drive Paramount’s content growth strategy are baked into the entertainment industry itself. Streaming has surpassed both theatrical release and linear broadcast as the main means by which Americans consume entertainment content. Netflix, Amazon, and Disney dominate subscription streaming today. Paramount and WBD both lag far behind the streaming giants—even on a combined basis, Paramount and WBD would represent the number four subscription streaming service today. The Parties cannot catch up by standing still. For Paramount and WBD to compete, they need to pursue a transformative transaction like this one and invest aggressively in capturing audiences’ attention by driving fresh, engaging content across the ecosystem of theatrical releases, streaming, and linear television.

That push to invest in content is nothing new at Paramount. In the first six months following the Paramount-Skydance merger, the Paramount management team greenlit 20 new and returning television shows,² and Paramount will nearly double its theatrical output this year as compared to 2025. David Ellison, Chairman and CEO of Paramount, has publicly committed to

² Paramount Skydance Corp., Form 8-K, May 4, 2026.

theatrically releasing at least 30 feature films per year and continuing to ramp up direct-to-streaming and television production.

These steps are only the beginning. The Transaction will spur new investments in content across Hollywood and beyond. Organized labor will share in that growth every step along the way.

A. The Paramount-WBD Combination Will Expand Studio Output and Create Jobs

The Teamsters' principal question in their March paper centered around whether the Transaction could reduce working opportunities for union members. As this note explains, the Transaction will spur competition to increase content production and generate new work opportunities across labor categories in entertainment.

The analysis begins with acknowledging that the entertainment landscape has changed radically in the last several years. Streaming services have become the principal means by which audiences engage with content. The top three subscription streaming platforms—Netflix, Disney+, and Amazon Prime Video—together capture 65% of subscription streaming viewers.³ In contrast, the Parties together represent less than 11% of subscription streaming viewers. As standalone companies, Paramount and WBD will struggle to grow to a scale where they can take on Netflix and others.

Bringing Paramount and WBD together changes that calculus—the combined firm will have the scale, audience, and reach to start competing at scale with Netflix and others. Of course, the merger itself will not be enough: Paramount and WBD will need to compete hard to earn audiences' attention. This means the combined firm will need to continue driving feature films into theatrical distribution to capture audiences' attention and strengthen downstream streaming demand. It means enhancing and expanding production in Paramount and WBD's studios, both for feature films and direct-to-streaming content. It means developing better discovery algorithms for the combined firm's streaming platforms to help audiences get better value from their streaming experience. And it means continuing to license out titles to other platforms (so that the Parties' studio content can find broader audiences) and licensing in content from third-party studios (to keep the combined firm's platforms fresh and relevant). It also means driving costs out on the technology and back-office sides of the business so that the combined firm can invest more efficiently in producing and delivering more titles to audiences. As Paramount takes on these challenges, it will transform the combined company into an aggressive, content-focused competitor that generates new work opportunities, both through its own productions as well as through the rivalry that Paramount spurs with other studios.

The costs that Paramount drives out of the business will not come at the expense of organized labor. As Paramount explained in its submissions to the DOJ and publicly, the

³ Nielsen Gauge Report, December 2025.

company's synergies estimates derive principally from three categories that do not touch production labor or union/guild positions. First, the combined firm will consolidate duplicative technology infrastructure—including consolidating the Parties' technology stacks, cloud providers, and back-end IT operations. Second, the Parties will combine duplicative back-office functions, such as finance, legal, human resources, and corporate communications at the parent-company level, and optimize the combined firm's real estate footprint. Third, the combined firm will achieve marketing efficiencies by coordinating advertising spend and cross-promotion across a broader portfolio of platforms and distribution channels. Critically, none of these synergies categories involve reductions in production headcount, studio operations staff, or the skilled trade labor that the Teamsters and other unions represent. These synergies will not impact creative talent or union/guild labor; to the contrary, they will free up opportunities to invest in high-performing content that generates jobs. Even accounting for the synergies estimates, Paramount's projected content spend is expected to increase significantly following the Transaction.

Paramount has committed to expand its film slate and invest heavily in content going forward. Paramount CEO David Ellison has pledged in multiple public forums to theatrically release at least 30 feature films annually post-acquisition—at least 15 from each studio—each with a minimum 45-day theatrical window. Mr. Ellison made that commitment in an open letter to the creative community, in correspondence with Members of Congress, in a statement to investors, and at CinemaCon.⁴ Mr. Ellison has also committed to maintaining both studio lots with full creative staffs to support that production volume.

Paramount's content strategy aligns directly with the Teamsters' interests. More films and series in production means more call sheets, more location days, more transportation, casting, and catering work. The combined company will have no incentive to shrink the production engine that drives its competitiveness. Increasing production volume is the central pillar of how Paramount intends to compete.

B. Recent Studio Mergers Validate That the Proposed Transaction Will Create Jobs

The Teamsters' March 2026 white paper alludes to Disney's acquisition of 20th Century Fox ("Fox") in 2019, and the paper expresses concern about that prior transaction's impact on content production. We understand that as part of its broader proxy war against the Transaction,

⁴ Naman Ramachandran, Elsa Keslassy, *Paramount's David Ellison Vows Anti-Monopoly Approach in Warner Bros. Discovery Bid, Pledges 30 Films Annually in Open Letter to Creative Community*, Variety (Feb. 4, 2026), <https://variety.com/2026/film/news/paramount-david-ellison-anti-monopoly-approach-warner-bros-discovery-bid-1236653219/>; Katie Kilkenny, *David Ellison Sends Letter to CA Lawmakers Outlining Plan to Keep Hollywood Jobs Local*, Hollywood Reporter (Mar. 19, 2026), <https://www.hollywoodreporter.com/business/business-news/paramount-warner-bros-merger-impact-california-david-ellison-1236540400/>; Press Release, Paramount Skydance Corporation, *Paramount Skydance to Acquire Warner Bros. Discovery* (March 2, 2026), <https://ir.paramount.com/static-files/b2df9747-1012-49b7-ad0d-0be311a6f65b>; Jill Goldsmith, *Paramount CEO David Ellison Commits To 45-Day Theatrical Window At Surprise CinemaCon Appearance: "The Paramount Lot Is Alive Again, And We Could Not Be More Excited"*, Deadline (Apr. 16, 2026), <https://deadline.com/2026/04/paramount-ceo-david-ellison-surprise-cinemacon-appearance-1236863093/>.

Netflix has tried to persuade the Teamsters and other stakeholders that Disney’s acquisition of Fox had a negative impact on content production and labor opportunities. Frankly, Netflix’s “sky is falling” narrative departs significantly from the ground-truth reality of what actually happened. Here are the facts:

First, to the extent Disney modified its feature film release strategy, Disney did so before acquiring Fox. (Disney released just 7 films theatrically in 2017 and 10 in 2018, for example, down from 12 films in 2016.⁵) In other words, Disney did not trim back its slate of feature films *because* it acquired Fox; Disney adjusted its theatrical release strategy *before* it acquired Fox.

Second, it is impossible to discuss changes in the number of films that Disney distributed in theaters without acknowledging the impact of the 2020 global pandemic that disrupted the entire entertainment industry, just a year after the Fox acquisition closed. Indeed, from 2019 to 2020 the number of wide release films in the U.S. fell by 57 percent, from 150 films to just 65 films in 2020.⁶

Third, Disney has unequivocally *increased* its spending on producing content overall since acquiring Fox. Disney’s own SEC-reported data shows that Disney has *expanded* its content investment from \$5 billion in 2019 to \$20 billion in 2025.⁷ Part of Disney’s massive investment in content includes Disney+, the streaming platform that Disney launched shortly after acquiring Fox. At the same time, Disney has continued to lead the box office each year with a strong theatrical release slate.⁸ In combination, Disney distributed *more* films in 2021 and each year thereafter than it did in 2018 or 2019, once you account for Disney’s streaming content.⁹

Fourth, Disney acquiring Fox has not constrained overall studio output in the least. To the contrary, film studios are putting *more* films into wide theatrical release today than they did when Disney acquired Fox—201 wide release theatrical films in the U.S. in 2025, versus 150 in 2019.¹⁰ Thus, even if Disney had reduced its spending on content production after acquiring Fox, that kind

⁵ OpusData, *Movie Summary Table*, <https://opusdata.com> (retrieved on June 1, 2026).

⁶ *Id.* Per OpusData, theatrical wide release describes films shown on at least 600 screens.

⁷ The Walt Disney Company, Form 10-K 2019; The Walt Disney Company, Form 10-K 2025; see also Todd Spangler, *Disney’s Projected \$24 Billion Content Spending for 2026 Split 50-50 Between Sports and Entertainment*, *Variety* (Nov. 19, 2025), <https://variety.com/2025/biz/news/disney-content-spending-2026-sports-entertainment-local-content-1236585670/>.

⁸ Zachary Folk, *Disney Studios Had Best Year at Box Office Since Before the Pandemic—Here’s Why*, *Forbes* (Dec. 24, 2025), <https://www.forbes.com/sites/zacharyfolk/2025/12/24/disney-studios-had-best-year-at-box-office-since-before-the-pandemic-heres-why/>; see also Anthony D’Alessandro, *Walt Disney’s 2025 Worldwide Box Office Clicks Past \$6.5B*, *Deadline* (Dec. 31, 2025), <https://deadline.com/2025/12/disney-global-box-office-2025-1236656467/>.

⁹ OpusData, *Movie Summary Table*, <https://opusdata.com> (retrieved on June 1, 2026).

¹⁰ *Id.*

of strategic decision by Disney would not have changed the landscape of opportunities available to organized labor across the category.

Given the above, respectfully, we do not understand why Netflix and its proxies are still pushing the Disney-Fox merger as a cautionary tale for studio combinations. The Teamsters and other organized labor should take comfort in the real-world evidence that in the wake of Disney-Fox and other recent studio mergers, studios have increased their investments in producing content, and those projects created job opportunities across organized labor. The trajectory of MGM Studios is particularly instructive: the studio has expanded from 9 wide theatrical releases in the year before its acquisition to a committed slate of at least 15 films annually, an additional transformation generating meaningful new opportunities for Teamsters' members and organized labor more broadly.¹¹

C. We Welcome Continued Engagement with the Motion Picture and Theatrical Trade Division

The Teamsters' submission emphasizes the unique role that the Motion Picture Division members play in the U.S. film and television industry and the importance of robust domestic production to their livelihoods. We agree. We also recognize—as the Teamsters' submission rightly notes—that the U.S. industry has faced significant headwinds in recent years, including a meaningful shift of production to foreign jurisdictions driven by tax incentives and other macroeconomic factors. These are real challenges that affect everyone who works in this business, and they are challenges that a combined Paramount-WBD is better positioned to confront than either company is on its own.

Paramount has been engaged in constructive dialogue with a wide range of stakeholders throughout this process, including labor organizations, exhibitors, members of the creative community, and regulators at the federal and state levels. We welcome continued engagement with the Motion Picture Division and with the Teamsters more broadly. Our shared goal is, and should be, a thriving U.S. production ecosystem that supports the skilled workforce on which this industry depends.

As we emphasized previously, the combined firm's strategy is to expand output and compete more effectively at scale. That strategy necessarily requires more productions, not fewer; larger and more diverse creative teams; and sustained engagement with our partners across unions, guilds, and independent talent pools.

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¹¹ See Press Release, Amazon, Amazon Aims to Release 14 Films in Theaters in 2026 (Apr. 2, 2025), <https://www.aboutamazon.com/news/entertainment/amazon-movies-cinemacon>; Press Release, Amazon, Amazon MGM Studios Unveils Its Ambitious Theatrical Slate for 2026 and Beyond at CinemaCon (Apr. 15, 2026), <https://www.aboutamazon.com/news/entertainment/amazon-mgm-studios-films>.

We are happy to discuss these issues, and any others as needed, at your convenience. We look forward to continuing the conversation.

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cc:

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