



Understanding the Warner Bros Acquisition:

Myths, Facts, History, and Data

Original Screenplays

Adaptations and Other
Derivative Content

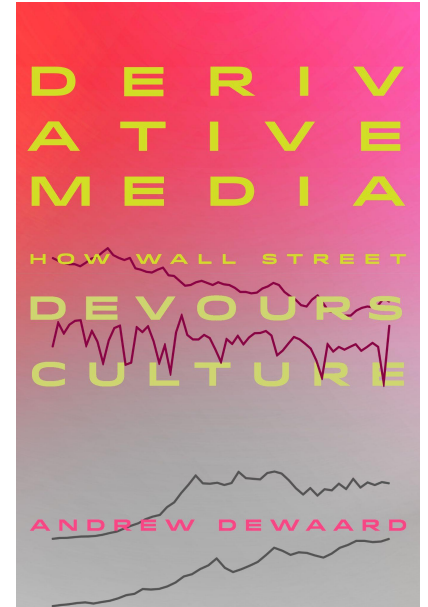
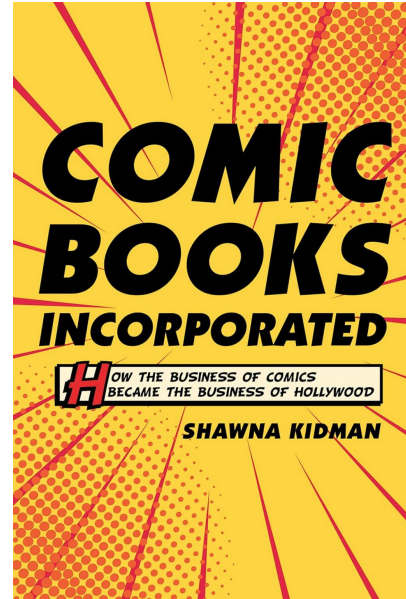
Franchises

Dr. Shawna Kidman
Associate Professor, UCSD

Dr. Andrew deWaard
Associate Professor, UCSD

Who We Are

- Associate Professors at UC San Diego who research and teach about the media industries
- [Shawna](#): Ph.D. in Film Studies from USC
- [Andrew](#): Ph. D. in Film Studies from UCLA
- authors of books & articles about the media industries, consolidation, and financialization
- part of a national network of scholars who specialize in every topic addressed here, with deep insights into labor, independent media, and industry
- Co-Founders of [MACRO Lab](#)



MACRO Lab

The issue

The media system is increasingly consolidated

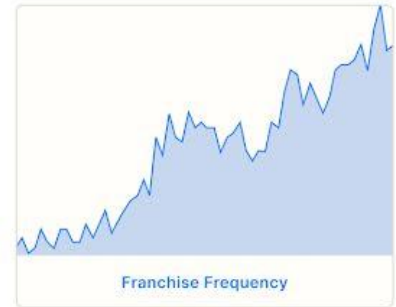
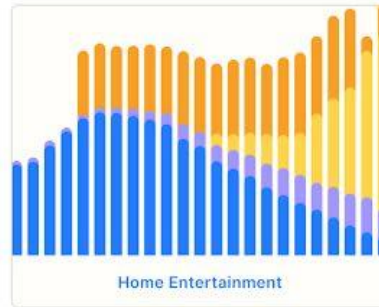
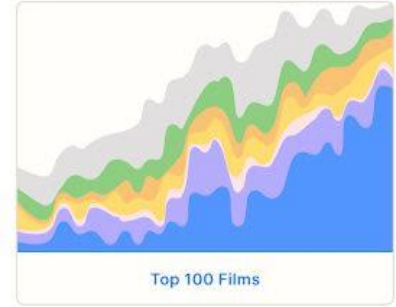
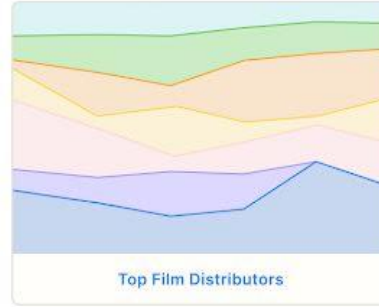
Two to four corporations dominate in each sector, limiting the diversity and democratic potential of our cultural production. Yet, there is no intuitive, up-to-date, public-facing resource that explains this state of affairs.

[Learn more >](#)

Our mission

Facilitate awareness with access to critical data

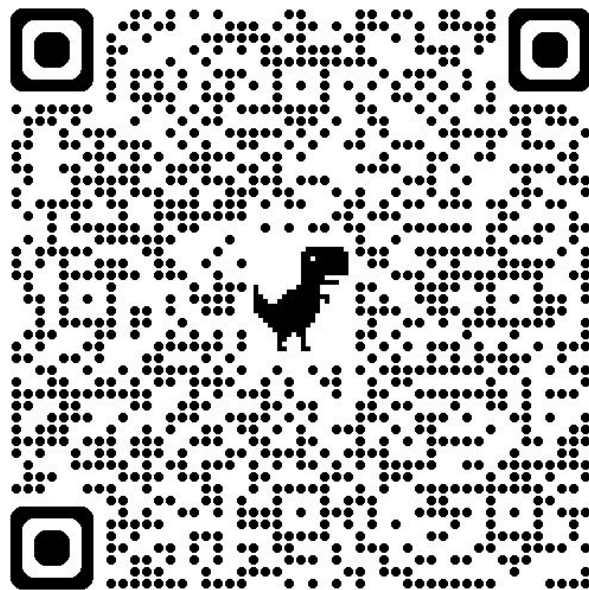
MACRO Lab aims to provide accessible, critical materials and data about media consolidation, with the aim of envisioning a more just, democratically accountable media system.

[Learn more >](#)

macrolab.ucsd.edu

Outline

1. [Responding to the false claims of Paramount's "Building a Stronger Hollywood"](#)
 - including [market share calculations](#)
2. [Employment](#)
3. [Prior Regulatory Interventions](#)
4. [The Effect on Culture](#)
5. [Crisis in News](#)
6. [Movie Theaters at Risk](#)
7. [Finance Fuels Monopoly](#)
8. [Reasons to Oppose Merger](#)





Nearly every claim on Paramount's [strongerhollywood.com](https://www.strongerhollywood.com) website is false or misleading. In the following slides, we show how.

BUILDING A STRONGER HOLLYWOOD

~~GREATER CHOICE. STRENGTHENED COMPETITION.~~
LESS WEAKENED

Claim: 30 High-Quality Films per Year

- the current trajectory for both Paramount and WB is a shrinking slate of films, just like Disney, Comcast/Universal, and Sony
- the business strategy for big studios is fewer films, but bigger global blockbuster franchises
- Paramount-WB merger would shrink this further
- commitment to 30 “high quality” films is widely regarded as a transparent lie, however...
 - it would be easy to re-release old films, made-for-TV movies, or re-cuts to a few theaters to give the illusion of a large slate
 - ...until they abandon the promise entirely, just as Microsoft recently abandoned its promise not to rise prices within one year of its Activision acquisition

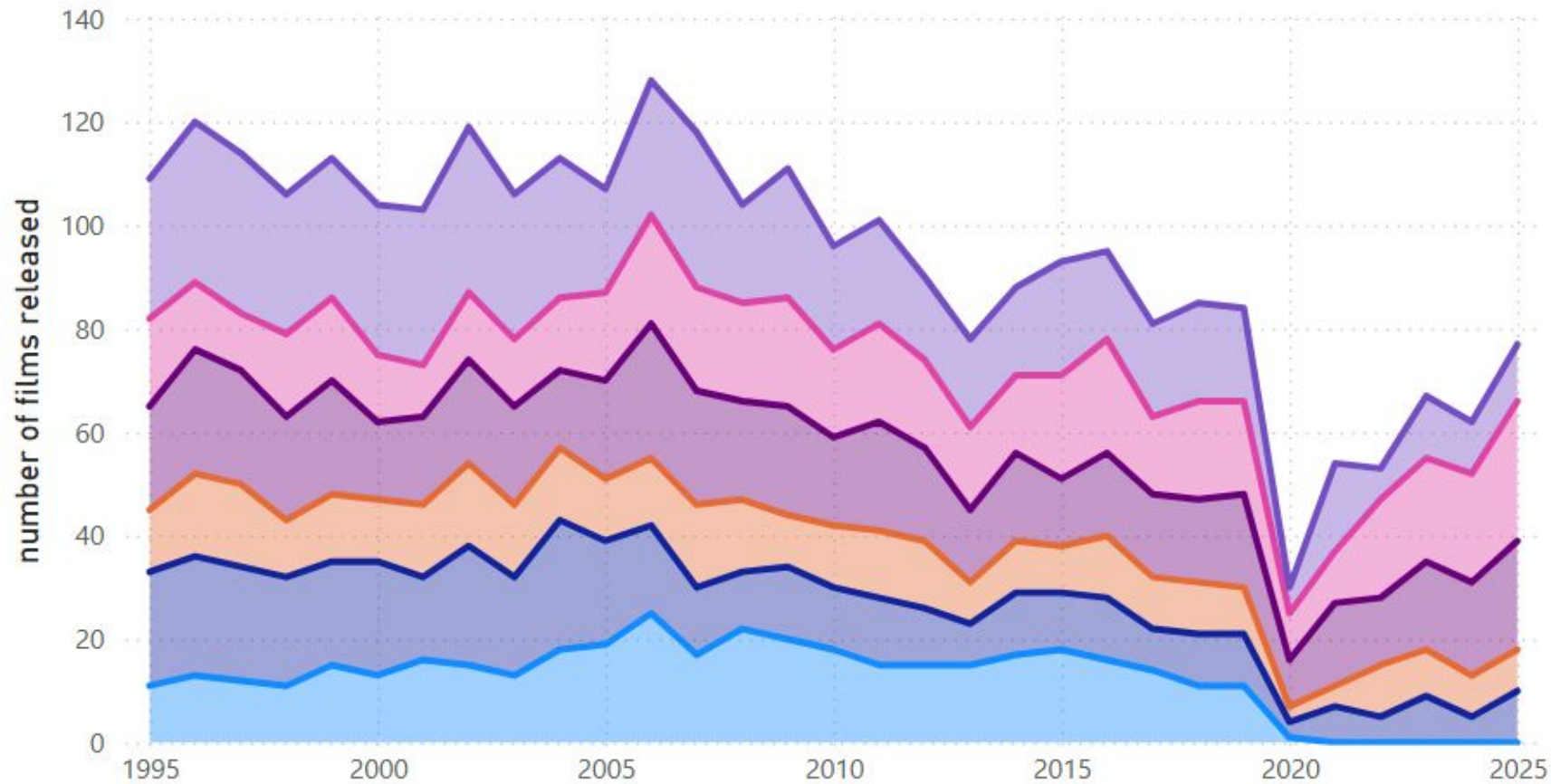
**30 FILMS
PER YEAR**

Paramount Studios and Warner Bros. Studios will each produce a minimum of 15 high-quality feature films per year, for a total of at least 30 films annually across the group – delivering great entertainment to audiences while supporting sustained job creation across the film and creative industries.

false claim

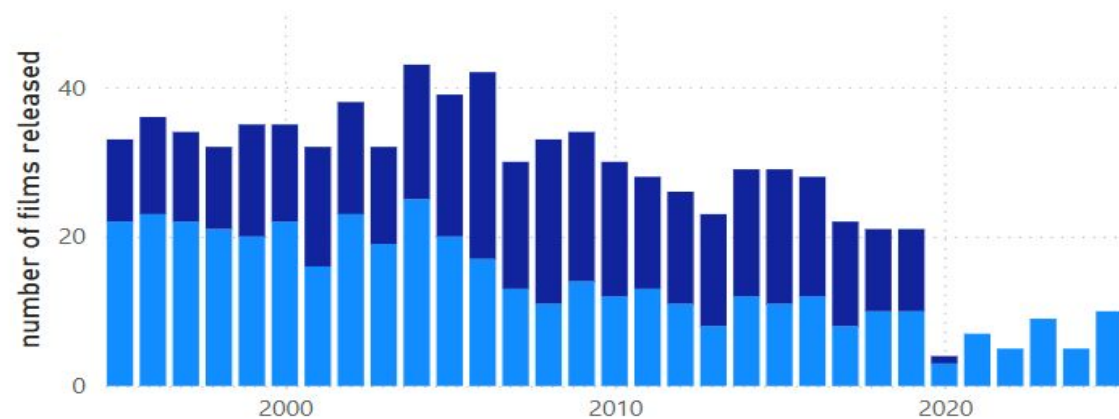
Number of Releases Annually: Major Studios

Fox Disney Paramount Sony Universal Warner Bros



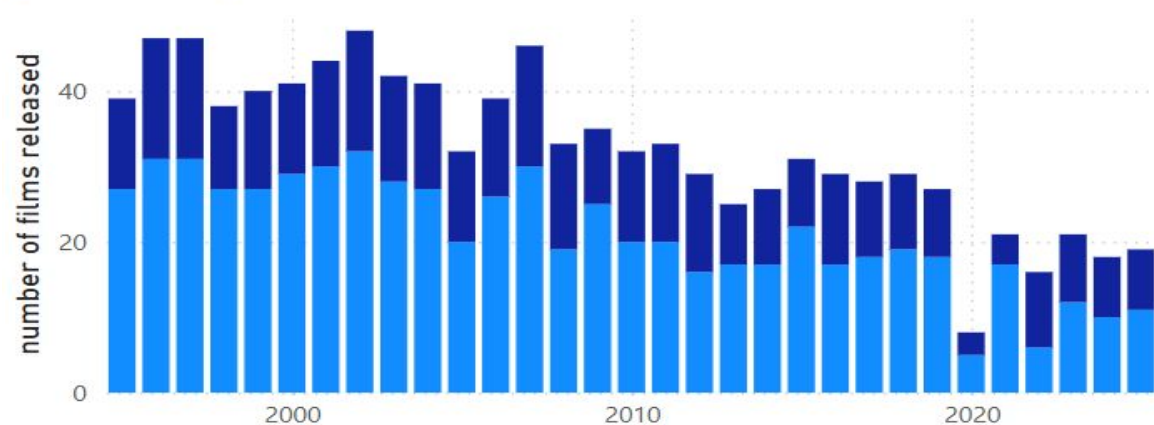
Number of Releases Annually: Disney & Fox

● Disney ● Fox



Number of Releases Annually: WB & Paramount

● Warner Bros ● Sum of Paramount



Claim: Full Theatrical Window of 45 Days

- decades-long window war between studios & theaters
 - studios have the upper hand in negotiations due to consolidation
- Covid presented a long-awaited opportunity to shrink window, which has not significantly rebounded since
- no current monitoring system for window length; no accountability
- the window war has been overemphasized...
- **the survival of theatrical exhibition depends on ALL the negotiation points between theaters & studios !**

**FULL
THEATRICAL
WINDOW**

false claim

Every film will receive a full theatrical release, with a minimum 45-day window globally before becoming available on paid video-on-demand (PVOD), with the intention of 60-90 days or more to maximize the audience for our most successful releases.

Claim: HBO Runs Independently

- historical precedents of major media mergers defy this claim
- EX: Discovery's dilution of HBO following 2022 merger
 - cost-cutting, merged with Discovery's reality programming, rebranded and renamed to Max (only to reverse course), cancellations and tax write-offs, purged library, shifted to franchises, significant layoffs, leadership changes
- other examples to consider in depth:
 - Disney's acquisition of Pixar, Marvel, Lucasfilm, or Fox
 - Acquisitions of WB by Discovery (2022), AT&T (2018), AOL (2001), and subsequent disruptions at HBO
- creative changes would take several years to materialize, particularly in film, where there is a minimum 2-year delay; post merger monitoring would not be effective

false claim

**HBO RUNS
INDEPENDENTLY**

HBO will continue to operate independently as a studio, enabling it to create more of the world-class content it is renowned for.

Claim: Greater Choice with 15,000 Titles

- large media companies have a history of holding back titles from the public
- allowing so many titles to belong to one company increases the likelihood the public will **lose** access to them
- why would a company deny access to content?
 - for tax write-offs and/or savings on residuals (WB & Batgirl)
 - to create false scarcity and/or urgency among consumers (Disney vault)
 - to make room for newer titles (Disney theatrical rules)

GREATER CHOICE

The combined company will own a film library of more than 15,000 titles and thousands of hours of television programming. It will be home to many of the world's most iconic and enduring franchises, including *Harry Potter*, *Missile Impossible*, *Lord of the Rings*, *Game of Thrones*, *The DC Universe*, *Teenage Mutant Ninja Turtles*, *Transformers*, *Trek*, and *SpongeBob SquarePants*.

false claim



Claim: Remain Active Buyers of Independent Content

- neither company is an active buyer of independent film & TV content; A24, Neon, & Lionsgate are, but further consolidation puts them at risk
- “independent film and filmmakers are in a far more perilous position than ever, increasingly squeezed out on screens big and small by an algorithmically driven and politically pressured media ecosystem irrevocably moving toward the middlebrow, mediocre and mainstream.” (Filmmaker Magazine)
- independence in media can be difficult to quantify, but independent film can be tracked via film festivals

CONTINUED LICENSING

false claim

Both studios will continue to support a vibrant third-party ecosystem by licensing films and shows across their own and third-party platforms, while remaining active buyers of content from third-party studios and independent producers.

Claim: Integrated Cross-Platform Distribution

- cross-platform distribution is a combination of vertical & horizontal integration
 - it signals an **absence of competition**
- historically, more consolidation across markets and platforms in cultural industries has meant
 - less independent media
 - less diversity in media
 - less variety in media
 - lower wages for most employees
 - higher prices for consumers
 - less opportunities for new businesses

FULL-SPECTRUM MARKETPLACE

A complementary portfolio of cable networks spanning entertainment, sports and news that will enable integrated cross-platform distribution, stronger cash flow and a more compelling cross-channel partner for advertisers.

false claim

Claim: “Increased Competition”

- “combined company... better positioned to compete”
 - A “combined” company is the result of hundreds of other “combinations” over the last 30 years
 - Warner Bros. & Paramount will use market power to *avoid* competing on the basis of high-quality products & service
 - **Revenue at these companies has generally not declined**; they face financial hardships today due to debt from mergers and other financial decisions
- media companies often claim their competition is a bigger tech company in a completely different market
 - eg. TikTok and YouTube
 - this is an aspirational claim
 - different products, different inputs
 - different suppliers & buyers
 - different labor markets

CONSOLIDATION
INCREASED COMPETITION

The combined company will be more resilient, more diversified and better positioned to compete with global technology and streaming platforms, while supporting creators and distribution partners across the industry.

Media Companies Impact the Media Ecosystem

- suppliers (creators/producers) face a shrinking number of content buyers (studios)
 - decreasing compensation for talent & availability of project financing
- buyers (theaters) face a shrinking number of content sellers (studios)
 - decreasing theater revenue & pushing theaters into closure

Film Studio Ranking:

1. Disney
2. Warner Bros
3. Comcast/NBCUniversal
4. Sony
5. Paramount

TV Content Ownership Ranking:

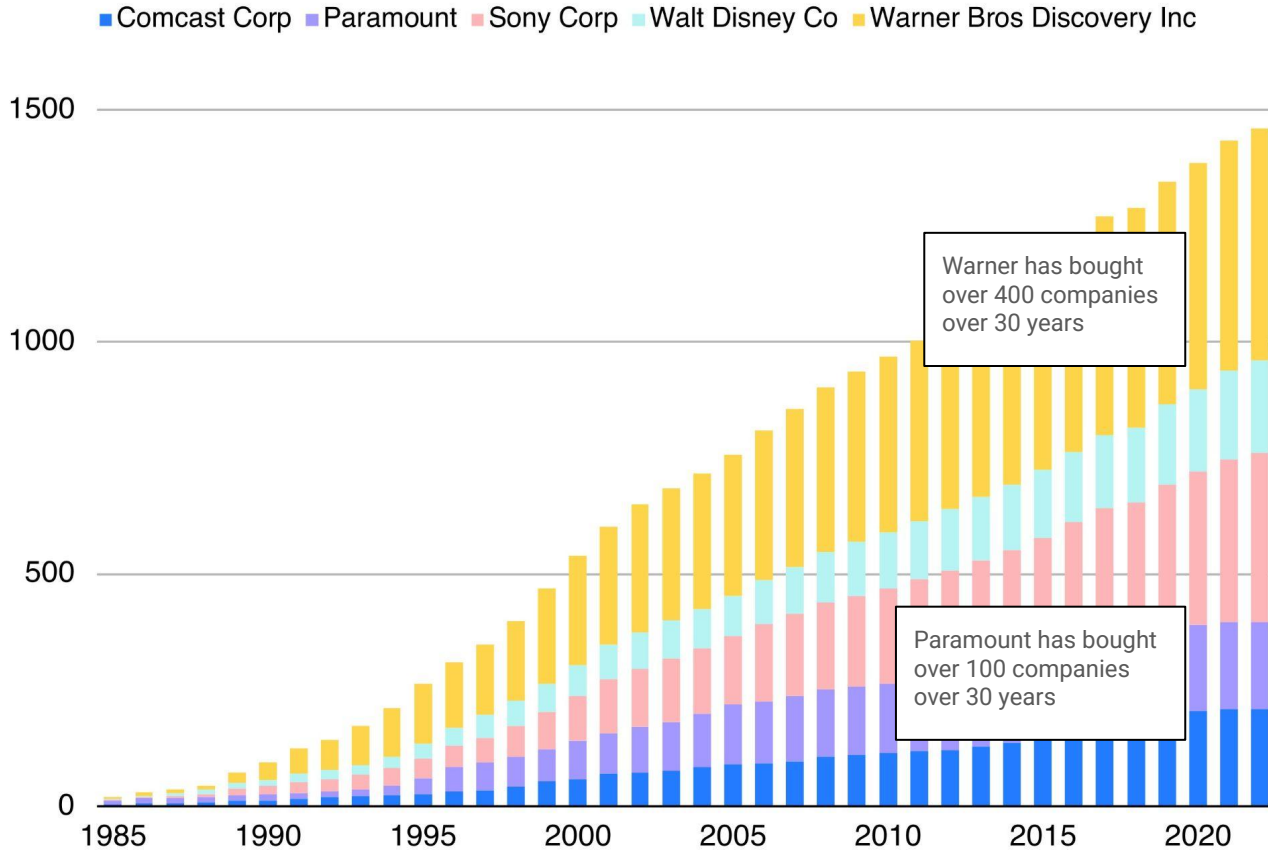
1. Disney
2. Warner Bros
3. Paramount
4. Netflix
5. Comcast/NBCUniversal

Most U.S. Streaming Subscribers:

1. Disney+/Hulu
2. Netflix
3. Amazon
4. HBO Max
5. Paramount+

Cumulative Mergers & Acquisitions of Big 5 Media Companies, 1985-2022

Data: Refinitiv



Warner has bought over 400 companies over 30 years

Paramount has bought over 100 companies over 30 years

hundreds of acquisitions = proof of "serial acquisitions" that can be challenged under new merger guidelines

Ellison Empire

1. Oracle
 - over 140 acquisitions in IT, cloud, and database infrastructure
2. Paramount & Warner Bros & Annapurna
 - vast news and entertainment holdings
 - thousands of layoffs at Paramount, thousands expected at WB
 - financing from private equity (RedBird Capital and Apollo) &
 - sovereign wealth funds (Saudi Arabia, Qatar, Abu Dhabi)
3. TikTok
 - 20%: ByteDance
 - 15%: Larry Ellison
 - 15%: Abu Dhabi sovereign wealth fund
 - 15%: Silver Lake (private equity fund)
 - rest: other investors



Claim: Below 30% Share in all Markets

- how does one define a “cognizable market”? Media markets and metrics are more complex than other sectors
 - what metrics are Paramount using anyway?
- 30% should not be a magic number
 - it’s about the overall ecosystem
 - it’s about dominance in multiple related markets
- besides, Paramount & Warner Bros. combined *does* constitute above or nearly 30% of a number of consumer-facing markets

02

false claim

The combined entity would be **well below the relevant market share threshold** of 30% in all cognizable markets.

U.S. Pay TV Programming

Data: [Global Media and Internet Concentration Project](#)

- Warner Bros holds a 26.1% market share in 2025; Paramount holds 11.57%
- combined entity would control approximately **37.66% of this market**
- current [HHI](#) for pay TV programming is approximately 1,789 – already at the threshold the 2023 Merger Guidelines identify as “**highly concentrated, presumption of harm.**”
- this merger would increase the HHI by an estimated 604 points to 2,393, **far exceeding both of the Guidelines’ presumptive thresholds:**
 - (1) a post-merger HHI above 1,800 with an increase greater than 100
 - (2) a combined market share exceeding 30% with an HHI increase greater than 100
- HHI in this market has risen dramatically over recent years reflecting an already accelerating trend toward concentration

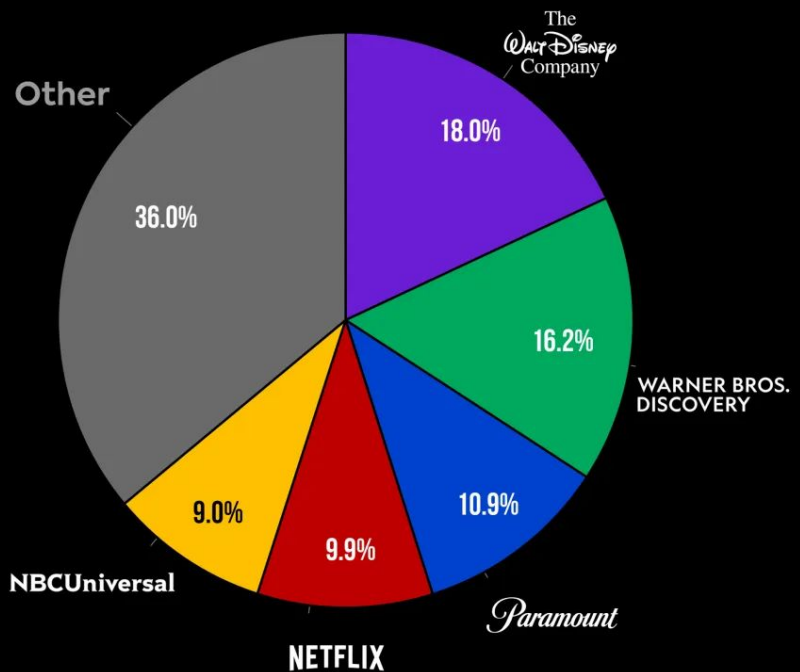
U.S. TV Show Production



Data: [Global Media and Internet Concentration Project](#)

- Warner Bros holds a 18.0% market share in 2025; Paramount holds 10.5%
- combined entity would control approximately 28.50% of this market
- this merger would increase the HHI by an estimated 378 points to 1,258, which is considered moderately concentrated, presumption of harm
- HHI in this market has risen dramatically over recent years reflecting an already accelerating trend toward concentration

Market Share of Streaming TV Audience by Series Owners, 2025



16.2% + 10.9% = 27.1%
(overtaking Disney as #1)

Parrot Analytics – DEMAND360

Methodology note: Corporate demand share is the total demand for all series where the most recent season first aired on a platform controlled by each corporate entity. For example: ABC, National Geographic and FX original series will all count towards the Disney share.

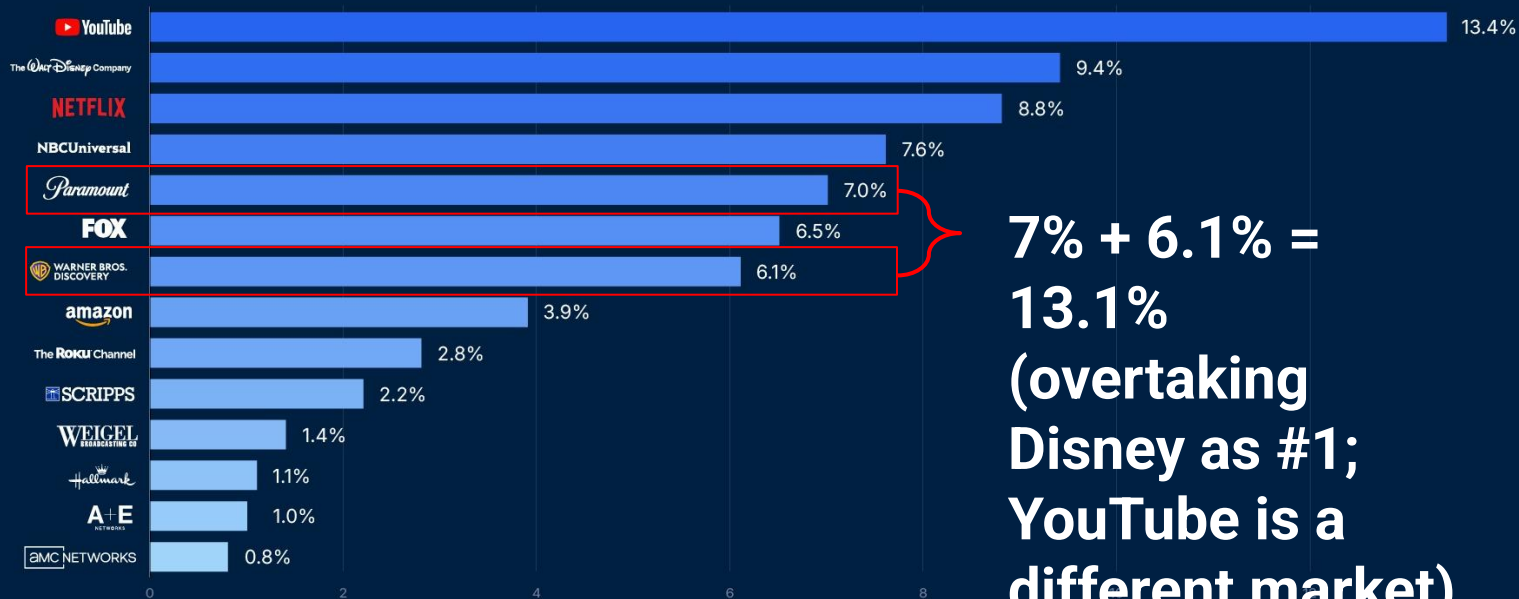


<https://www.thewrap.com/commentary-analysis/data-analysis/netflix-warner-bros-combo-tv-demand-disney-paramount/>

The Media Distributor Gauge

July 2025

Nielsen's aggregated view of total TV usage by media company



Source: Nielsen NPOWER. Shares based on Total Day and Persons 2+ viewing minutes to all media distributor national subsidiaries. Viewing to local stations or syndicators is reflected in the appropriate broadcast affiliate or cable network. Copyright © 2025 The Nielsen Company

Nielsen

U.S. Film Production and Distribution



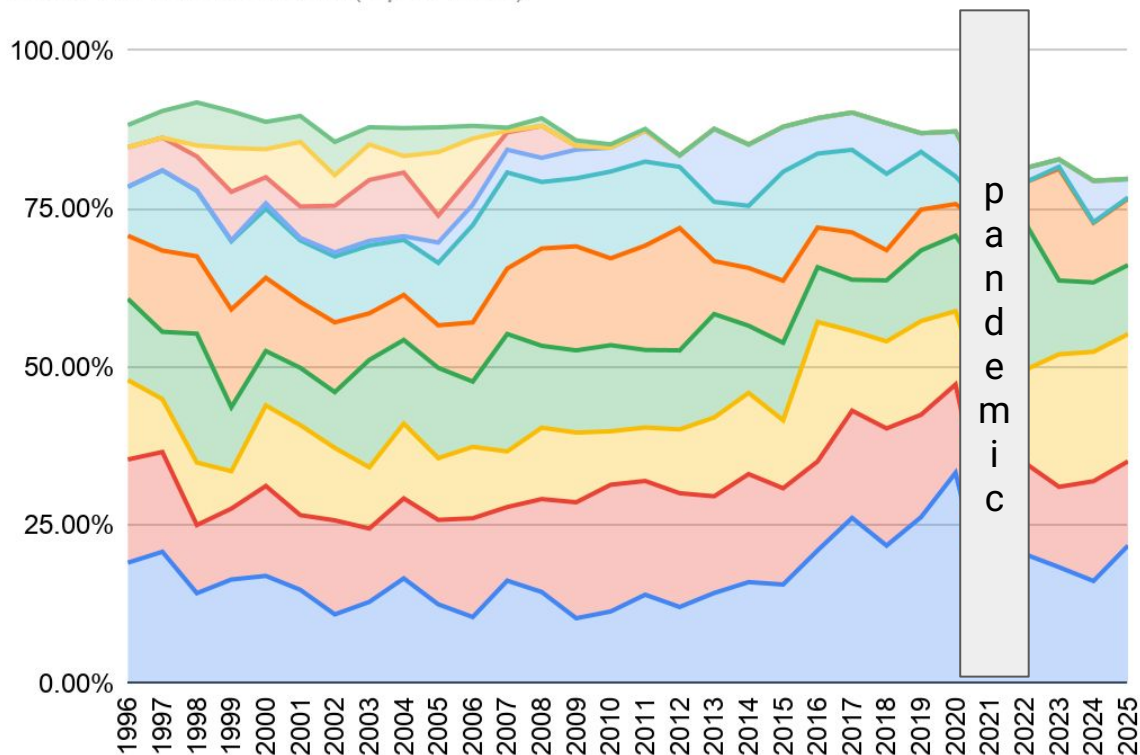
Global Media & Internet
Concentration Project

Data: [Global Media and Internet Concentration Project](#)

- In 2025, WB held a 20.5% share of the theatrical film production and distribution market by revenue, while Paramount held 6.11%
- combined entity would control approximately **26.66% of this market**
- current HHI for film production/distribution is approximately 1,656 – already at the threshold the 2023 Merger Guidelines identify as “**highly concentrated, presumption of harm.**”
- this merger would increase the HHI by an estimated 251 points to 1,907, **exceeding both of the Guidelines’ presumptive thresholds:**
 - (1) a post-merger HHI above 1,800 with an increase greater than 100
 - (2) a combined market share exceeding 30% with an HHI increase greater than 100

US Box Office Market Share of Top 10 Distributors, 1995-2025

Data: the-numbers.com (Opus Data)



Miramax	
Dreamworks	
New Line	
Lionsgate	
20th Century Fox	
Paramount Pictures	6.5%
Sony Pictures	+
Universal	
Warner Bros.	22%
Walt Disney	=

28.5%
(overtaking
Disney as #1)

U.S. Online Video Services



Data: [Global Media and Internet Concentration Project](#)


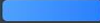





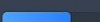

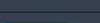

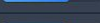

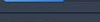
- In 2025, Warner Bros held a combined 9.87% market share of online video service revenue through HBO Max and Discovery+; Paramount held 6.09% through Paramount+ and Pluto TV
- combined entity would hold approximately **15.96% of the U.S. streaming market**
- current HHI stands at 1,438, placing this market on the cusp of the highly concentrated threshold
- estimated HHI increase of roughly 120 points, for 1,558 total
- the announced plan to merge Max with Paramount+ means they will leverage their 27% share of film and television production, as well as vast intellectual property portfolio, into a new giant of streaming dominance

Total Streaming Subscriptions in U.S.

Data: FlixPatrol

1. Disney: 119.3 million
 - combining Disney+ (55.2), Hulu (64.1)
2. Netflix: 87.7 million
3. Amazon: 75 million
 - estimated, included with Prime membership

4. Warner Bros: 59.4 million
 5. Paramount: 58.7 million
 6. Comcast (Peacock): 44 million
- } 118.1 million, nearly overtaking Disney for #1 spot

1.	 Netflix	Subscribers	87,750,000		12/2025
2.	 Amazon Prime	Subscribers (Estimate)	75,000,000		03/2023
3.	 Hulu	Subscribers	64,100,000		09/2025
4.	 HBO Max <small>including HBO, Discovery+, and other WBD</small>	Subscribers	59,400,000		12/2025
5.	 Paramount+	Subscribers	58,704,900		12/2025
6.	 Disney+	Subscribers	55,272,000		09/2025
7.	 Peacock	Subscribers	44,000,000		12/2025

Total Content Spend

Data: KPMG

1. Comcast: \$37 billion
 2. Disney: \$28 billion
 3. Amazon: \$20 billion
 4. Netflix: \$17 billion
 5. Paramount: \$15 billion
 6. Warner Bros: \$14 billion
- } \$29 billion, overtaking Disney's #2 spot

Summary of U.S. Market Power

If Paramount is permitted to acquire Warner Bros, it would be the dominant player in film & television:

1. **U.S. Pay TV Programming:** 37.7% of the market, replacing Disney as #1
2. **U.S. TV Show Production:** 28.5% of the market, replacing Comcast as #1
3. **U.S. Streaming TV Audience:** 27.1% of the market, replacing Disney as #1
4. **Total TV Viewership:** 13.1% of the market, replacing Disney as #1
5. **U.S. Film Production and Distribution:** 26.7% of the market, nearly matching Disney's 27.4%
6. **U.S. Theatrical Film Box Office:** 28.5% of the market, replacing Disney as #1
7. **U.S. Streaming Subscribers:** 118 million, overtaking Netflix as #2, nearly surpassing Disney's 119 million
8. **Total Content Spend:** \$29 billion, overtaking Disney's #2 spot, nearly matching Comcast

** Due to its acquisition of Fox in 2019, Disney currently dominates nearly every major market.*

Claim: Stronger Cash Flow

- “stronger cash flow” signals that more dividends, stock buybacks, and higher executive compensation can be expected
- this is capital not reinvested in more productions, more employees, higher wages, or research and development
- since 2000, the big 5 media companies have paid out over **\$250 billion dollars in shareholder dividends and stock buybacks**

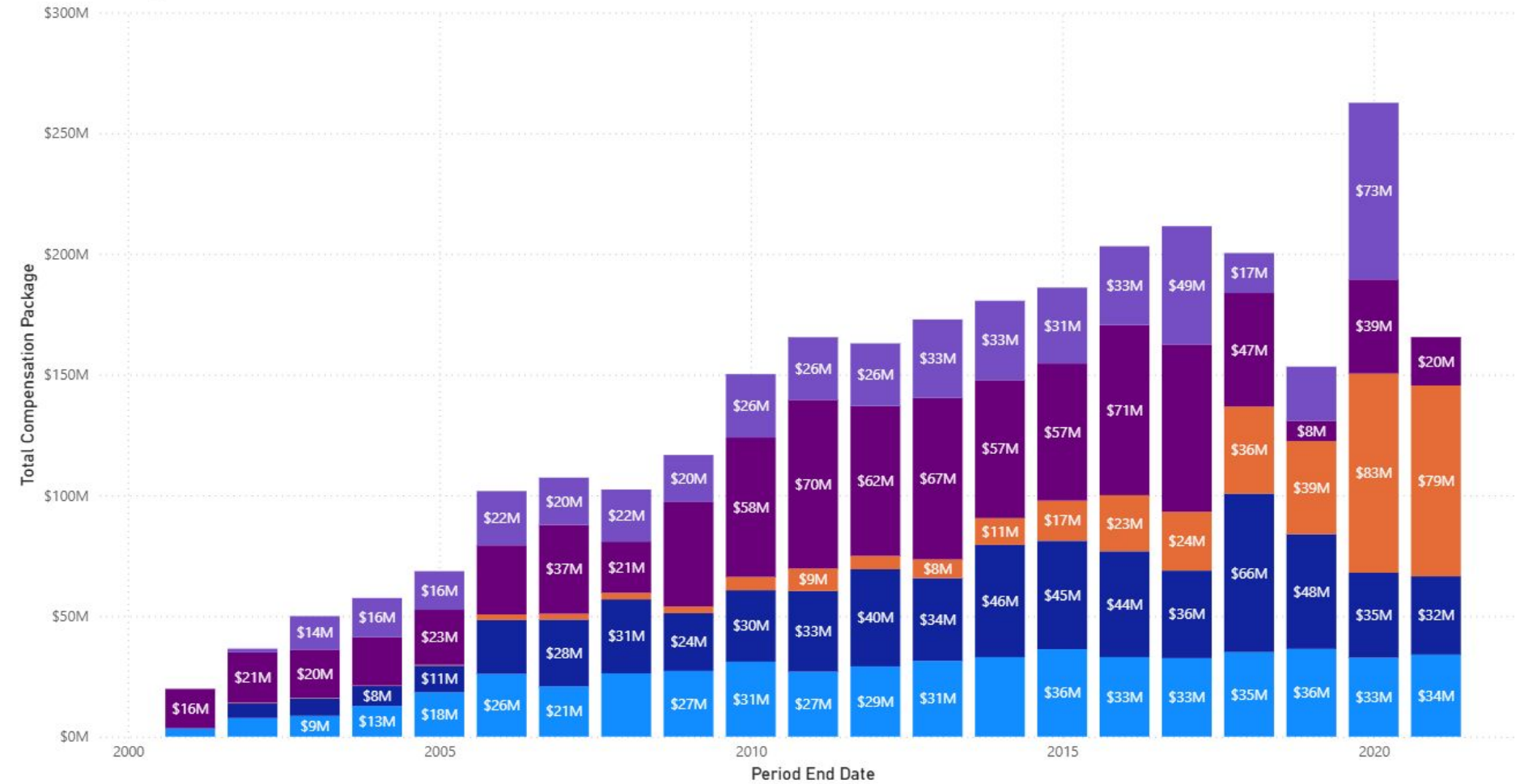
FULL-SPECTRUM MARKETPLACE

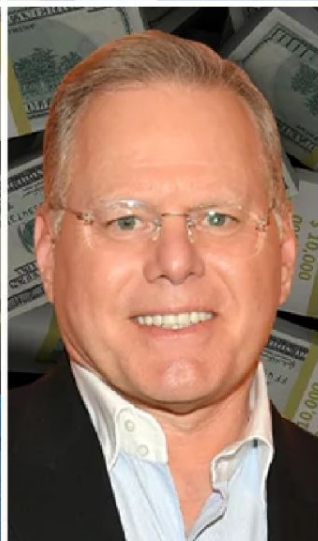
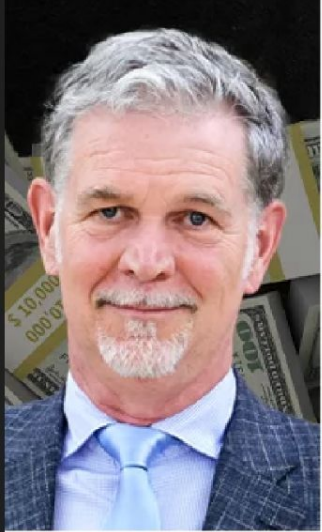
A complementary portfolio of cable networks spanning entertainment, sports and news that will enable integrated cross-platform distribution, stronger cash flow and a more compelling cross-channel partner for advertisers.

false claim

CEO Pay

Comcast Disney Netflix Paramount Warner





Warner Bros CEO to pocket up to \$887 million from Paramount deal

By Reuters

March 17, 2026 5:47 AM PDT · Updated 19 hours ago



LIVE NATION

A **new report** found that, of the 100 lowest-wage major U.S. companies in 2022, **Live Nation Entertainment** had the **widest CEO-worker pay gap.**

CEO Michael Rapino hauled in **\$139 million,**

5,414 times more than the median Live Nation worker pay of **\$25,673.**

Institute for Policy Studies **INEQUALITY**
AN INSTITUTE FOR POLICY STUDIES

The infographic features a yellow background. At the top is the Live Nation logo. Below it, text explains a report on CEO-worker pay gaps. A central comparison shows CEO Michael Rapino's \$139 million pay versus a median worker pay of \$25,673, a 5,414-fold difference. This is illustrated with images of Rapino surrounded by stacks of cash and a worker in a high-visibility vest. Logos for the Institute for Policy Studies and INEQUALITY are at the bottom.

Endeavor CEO Ari Emanuel's 2021 Pay Package Tops \$308M Thanks to IPO Equity

Sep 10, 2025 - Business

Oracle's Larry Ellison surpasses Elon Musk as world's richest person

Claim: This Merger is Inevitable

- Over the last six months, Netflix, Skydance, Paramount, and Warner Bros. have been borrowing from the tech playbook, discussing this merger as if it is a foregone conclusion. IT IS NOT.
- There are regulatory systems and laws *in place* that can pose a realistic and formidable challenge to Ellison
 - similar deals have been blocked: Paramount's attempted Penguin Random House / Simon & Schuster merger
 - courts are *currently* hearing several cases concerning media consolidation: LiveNation & Tegna-Nexstar
- Most importantly, **consumers and workers broadly oppose the deal**. The public needs to know intervention is possible and regulators & lawmakers support their interests.

01

false claim

Paramount's offer has a **clear regulatory path** and broad stakeholder support.

Not Mentioned: Employment

- Paramount has already suffered thousands of layoffs from previous acquisition by Ellison
- this deal requires huge “cost-savings” because of how high the auction went
 - estimated to be between \$6 and \$16 billion
 - likely to be mostly layoffs

Paramount employees endure a brutal year of layoffs

By Azure Gilman

Deputy Leadership Editor

January 7, 2025, 8:36 AM ET

Paramount to lay off 2,000 workers shortly after merging with Skydance

October 29, 2025 / 3:38 PM EDT / AP

Paramount-Warner Would Create a Hollywood Jobs Apocalypse

Paramount CEO David Ellison Outlines Massive \$6 Billion in Cost Savings After The Warner Bros. Discovery Merger

Not Mentioned: Employment

Parallel: Disney-Fox Merger (2019)

Date	Employees Laid Off	Division
March 2019	4000	Fox
March 2023	8000	
May 2024	175	Pixar
July 2024	140	NatGeo
September 2024	300	
March 2025	200	ABC News
June 2025	200	
March 2026	200	

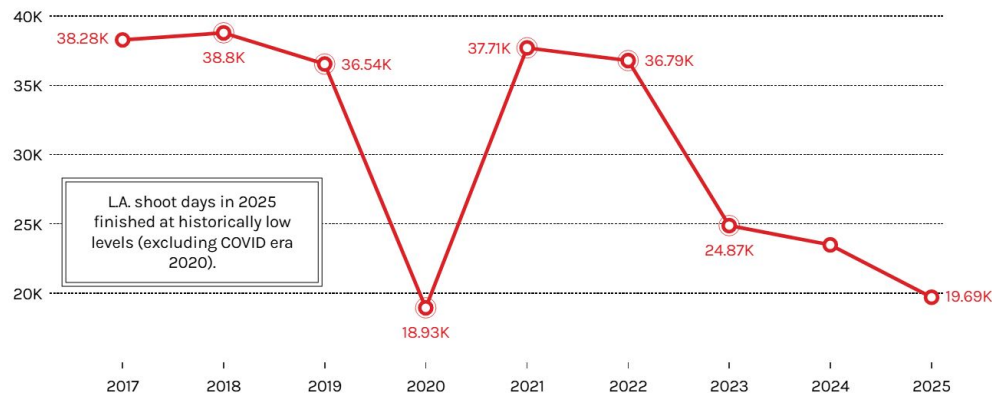
Not Included: 32,000 employees (primarily in parks) laid off during Covid

- Disney lays off 4,000 employees upon merging
- follows with a major round of layoffs post-Covid
- reorganizational layoffs continue through today
- Fox had 15,000 employees; Disney has laid off over 13,000 post-merger

Not Mentioned: Production in California

Los Angeles Shoot Days: The Big Picture

Filming in the city across features, series and commercials has fallen sharply in the past three years.

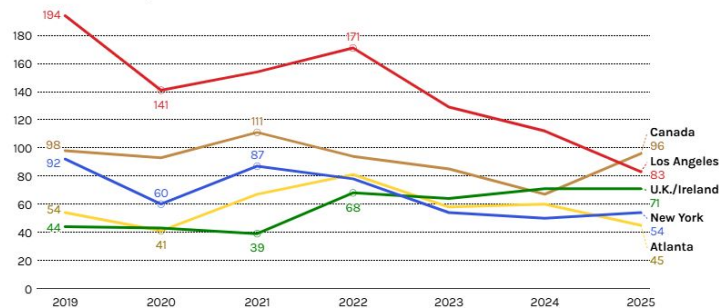


LA. shoot days in 2025 finished at historically low levels (excluding COVID era 2020).

[Los Angeles' Hold on Hollywood Is Slipping](#),
The Hollywood Reporter

Live-Action Movie and TV Shoot Locations

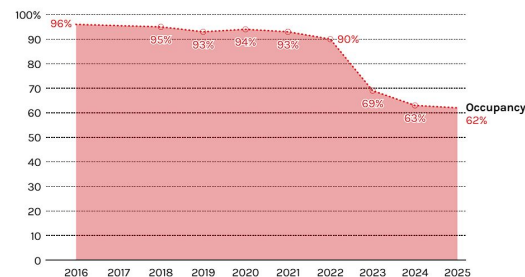
Compared to pre-COVID era 2019, Los Angeles has taken a notable fall in the number of features and series that have filmed in the city.



SOURCE: LUMINATE 2025 YEAR-END FILM & TV REPORT (JAN. 21, 2026); BY RELEASE YEAR

L.A. Soundstage Occupancy

Film and TV shoots in the city's major studio facilities haven't bounced back since a content spending decline and dual labor strikes in 2023.



SOURCE: FILMLA SOUNDSTAGE PRODUCTION REPORT (MARCH 18, 2026)

See How Hollywood's Job Market Is Collapsing

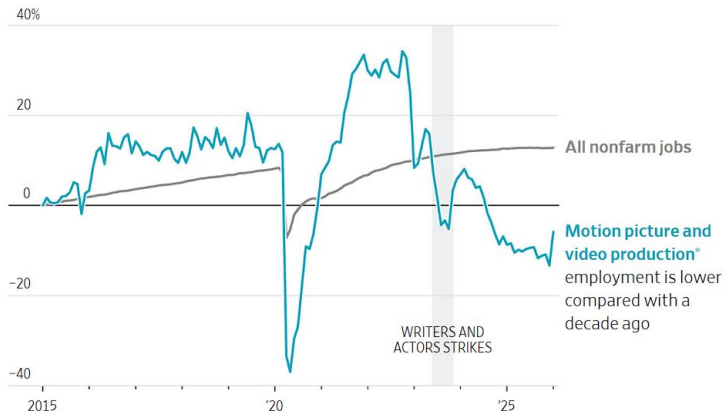
Studios are making fewer movies and shows than they did just a few years ago. The ones they do make are increasingly being shot outside the U.S.

↪ Aa 372 Listen (2 min) ⋮

By [Nate Rattner](#) [Follow](#) and [Ben Fritz](#) [Follow](#)

March 30, 2026 11:50 am ET

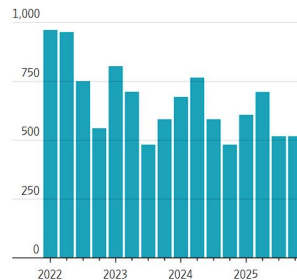
Change in employment from January 2015



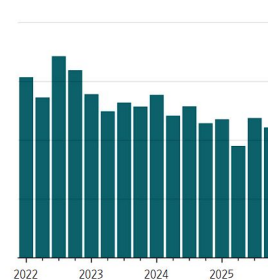
*Businesses that produce and distribute motion pictures, TV programs, or TV commercials
 Note: Data are monthly, seasonally adjusted and through January.
 Source: Labor Department

TV and film commissions and releases from U.S.-based production companies, quarterly

Commissions



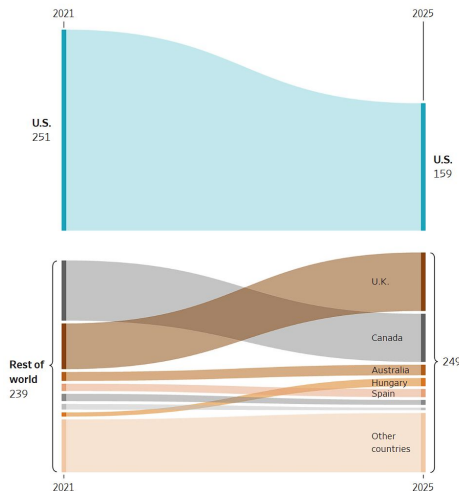
Releases



Source: Ampere Analysis

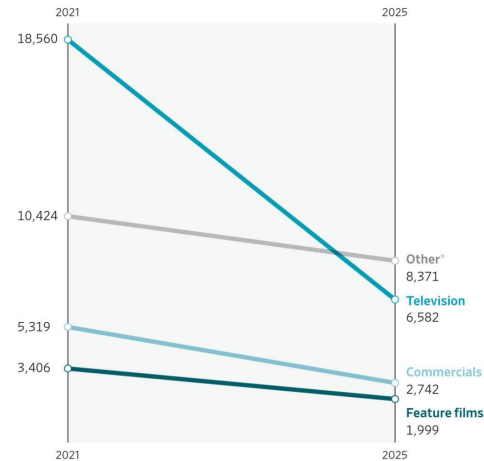
Newly started productions, by country

For live-action scripted film and TV productions with a budget of \$40 million or more



Source: ProdPro

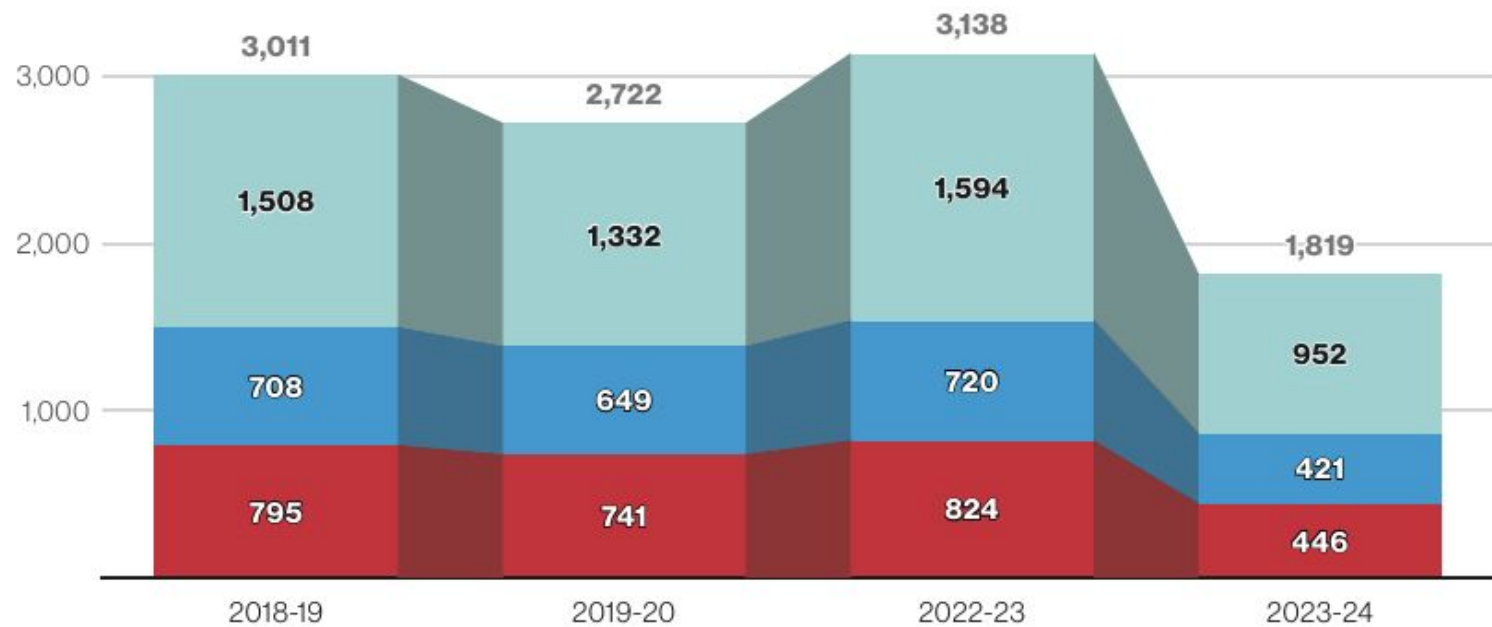
Days of on-location production activity in Los Angeles



*Includes photo shoots, student films, documentaries, short films, online content, music videos and industrial videos.
 Source: FilmLA

U.S. TV Writing Jobs, by Season

● Lower level ● Mid level ● Upper level

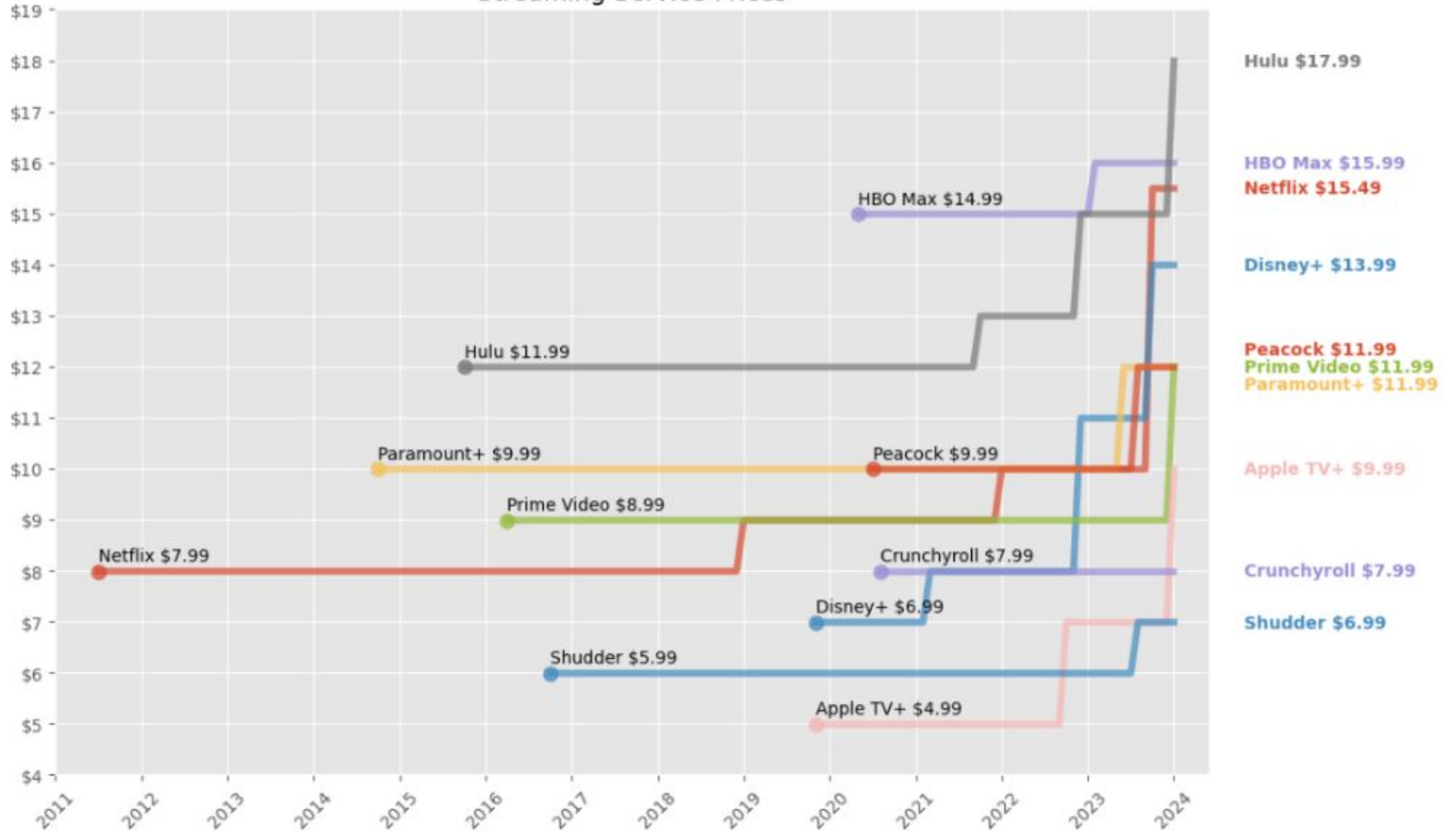


Source: Writers Guild of America

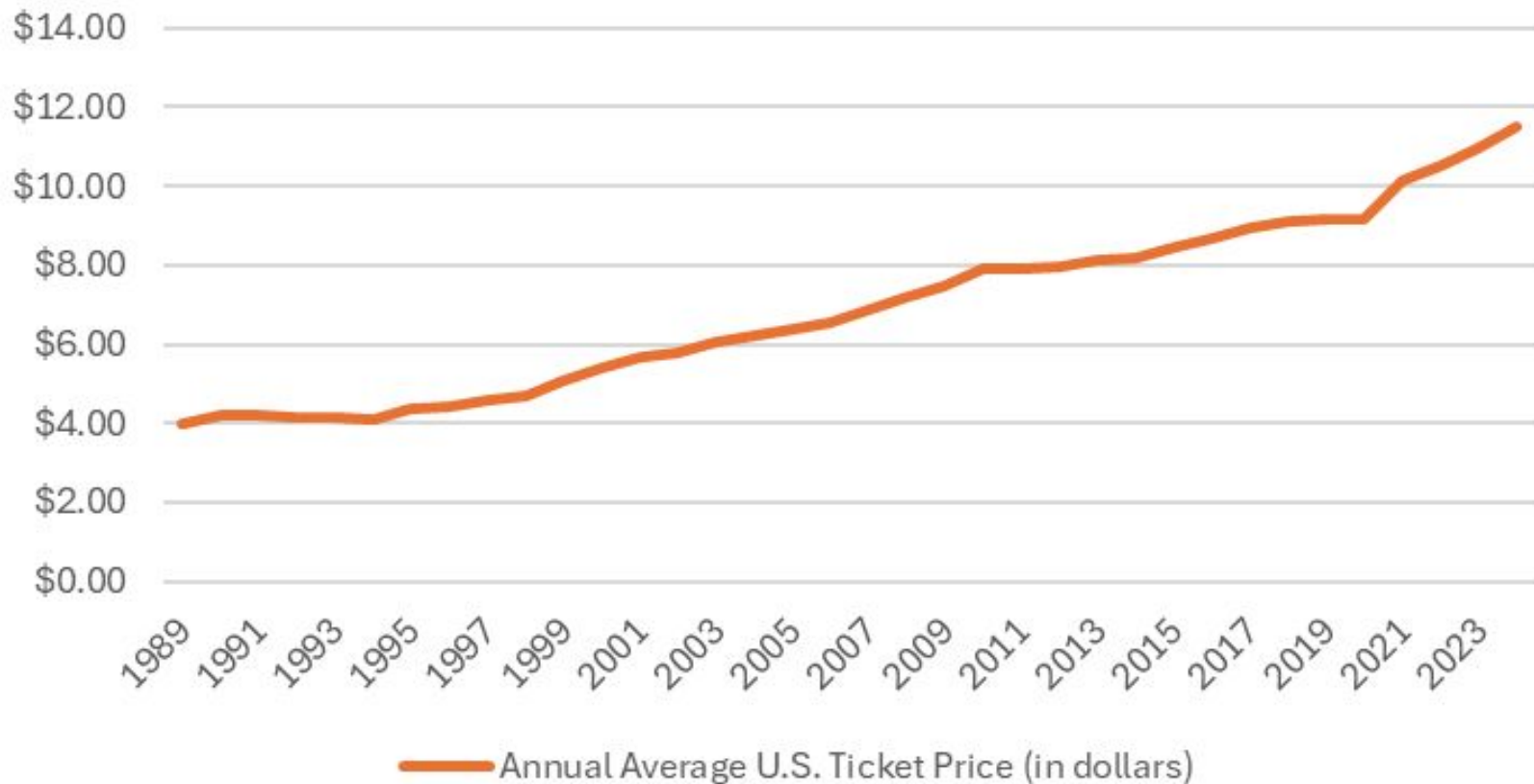
Not Mentioned: Eventual Price Increases

- likely won't materialize in the first couple years
- because prices filter through so many businesses, including those not operated by the company, calculating price increases presents a challenge
- watch out for increases in:
 - Streaming Subscription Costs
 - Video on Demand Prices
 - Movie Theater Ticket Prices
 - Home Cable Fees

Streaming Service Prices



Average Theater Ticket Price

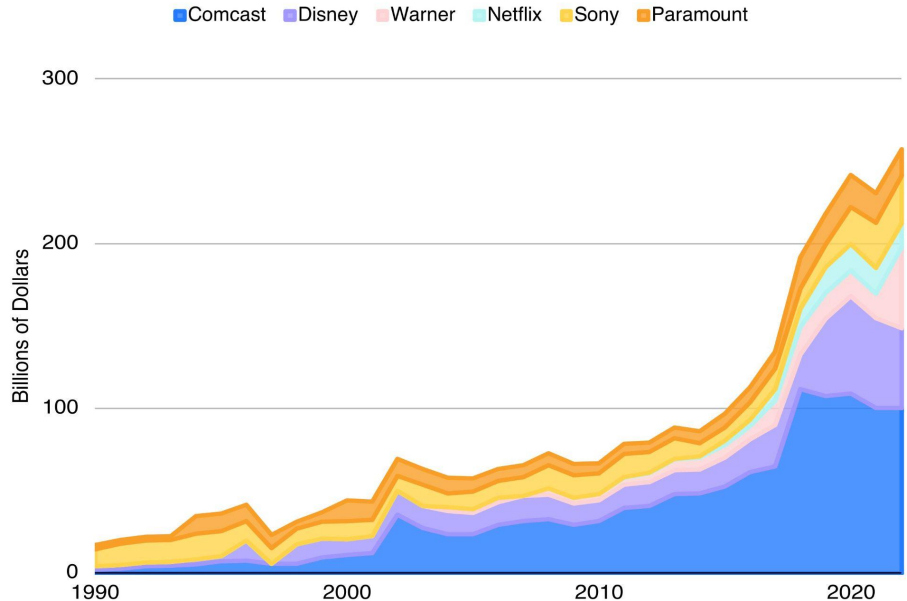


Not mentioned: Massive Debt Load

- a common historical pattern in the media industries is continual mergers and acquisitions, leaving over-leveraged companies that must cut costs and minimize risk
- Paramount's credit rating was downgraded to "junk" status by Fitch Ratings on March 3
 - concerns over leverage, potential inability to pay back loans, "free cash flow headwinds"
 - raises borrowing costs, limits flexibility

The Rise in Debt Held by Media Companies, 1990-2022

Data: Refinitiv



Prior Regulatory Interventions



Paramount Decrees (1948)

- in the 1930s, 5 vertically integrated studios controlled production & distribution for 70% of US films
- they also controlled 17.3% of US movie theaters, but 90% of the most significant theaters in major markets, receiving 45% of total theatrical profit

“This Court found that Defendants through illegal **horizontal collusion and a cartel** had (1) monopoly power in the distribution market for first-run motion pictures; and (2) engaged in a conspiracy to fix licensing practices, including admission prices, run categories, and clearances for substantially all theatres located in the United States”



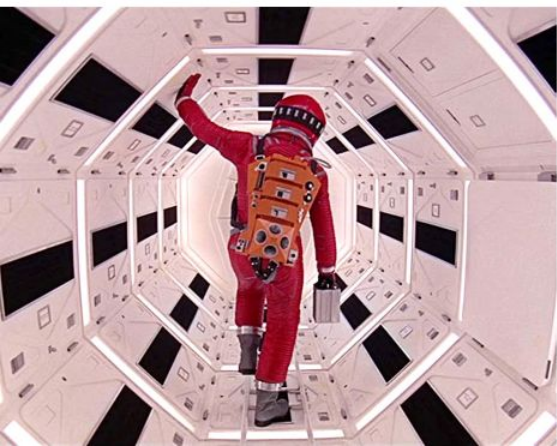
Paramount Decrees (1948)

- Offered three fixes: 1) theater divestment 2) ban on “price maintenance” 3) replace the current distribution system with a mandate on negotiating film by film, theater by theater: a ban on block booking, circuit dealing & unreasonable clearances
- In 2025, 5 studios earned 75% of box of office with just 142 films
 - 534 other films were released by 122 different studios; more than half of these made less than \$1M



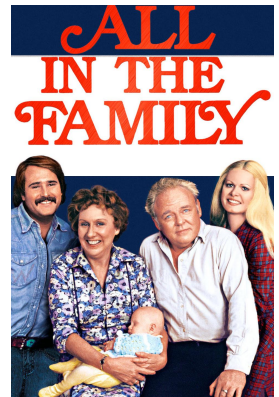
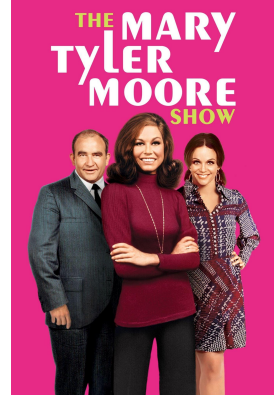
Impact of Paramount Decrees

- coincides with rise of TV (1948-1952) & entry of foreign film market
 - the film industry was facing global pressure and significantly increased competition
 - the courts intervened anyway
- without guaranteed theatrical releases, studios needed to consider the merits of each film; budgets rise, production levels decrease, independents enter
 - the film industry struggled to reorganize for about a decade
- Classical Hollywood Studios System eventually collapses, gets replaced by independent production, talent agencies, and “New Hollywood” in the 1970s



Financial Interest & Syndication (Fin-Syn) Rules

- established by the FCC in 1970
- prevented big three networks (ABC / NBC / CBS) from taking financial stake in programs brought to them by outside producers
- limited self-dealing and encouraged competition – more independent production and creative innovation
- kept studios and networks from merging
 - complementary FCC regulation (e.g., Anti-Trafficking Rules) limited mergers in local markets, where local news mattered
- repeal of Fin-Syn in 1995 incited a wave of media mergers/vertical integration
- 30 years later, studio buyer power is stronger than ever – further concentration would exacerbate this competitive imbalance



Regulatory Intervention Increased Competition

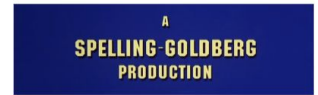
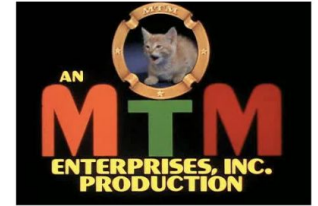
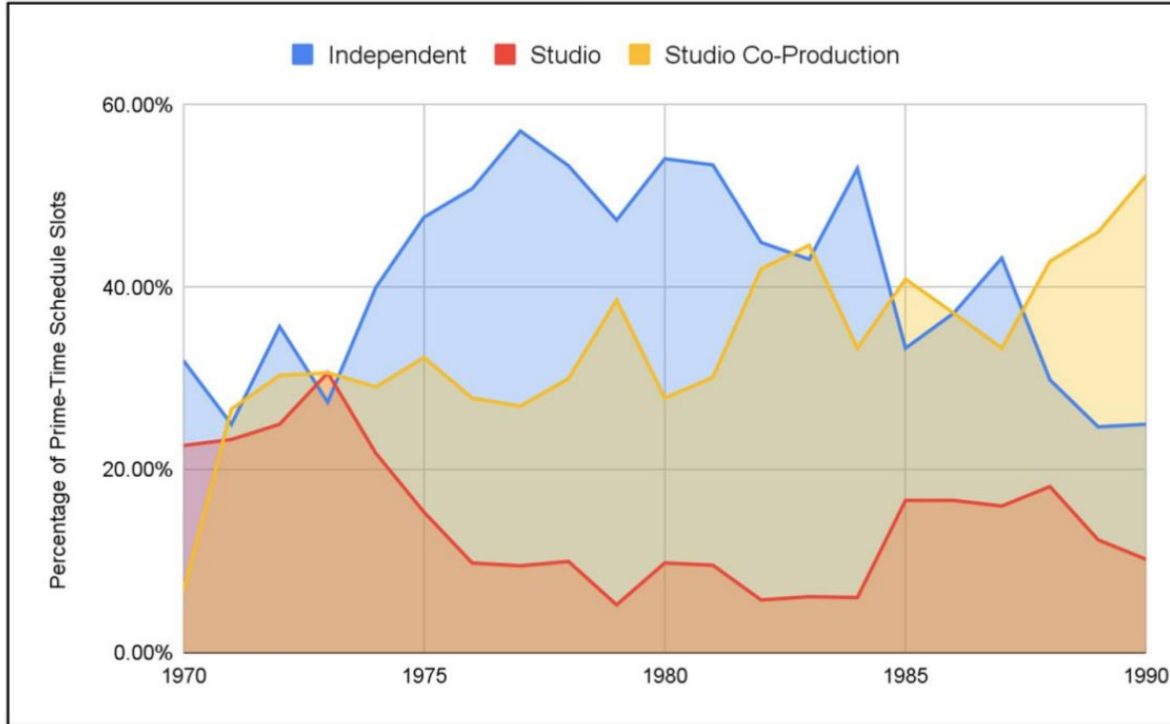


Figure 4. Percentage of primetime programs by supplier type (1970–90)⁴⁸.

Telecommunications Act of 1996

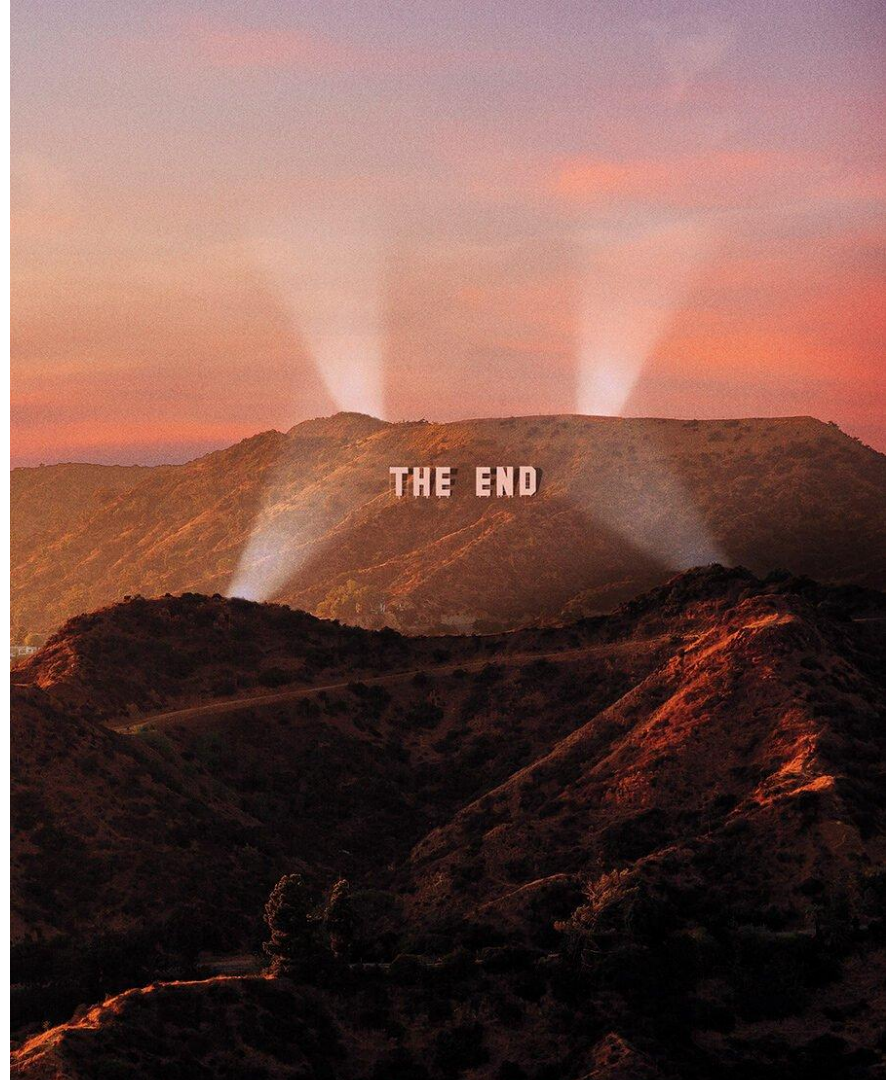
- eased ownership rules for radio and television and permitted cross-ownership
 - led to consolidation across the country
- radio now dominated by iHeartMedia
- television stations now dominated by Nexstar, Sinclair, Tegna, and Gray
 - Nexstar and Tegna are merging
- still a lot of advertising money in these markets, but very little cultural resonance

STATE AGS SUE TO BLOCK NEXSTAR-TEGNA MERGER, ANOTHER TRUMP-BACKED MEGADEAL



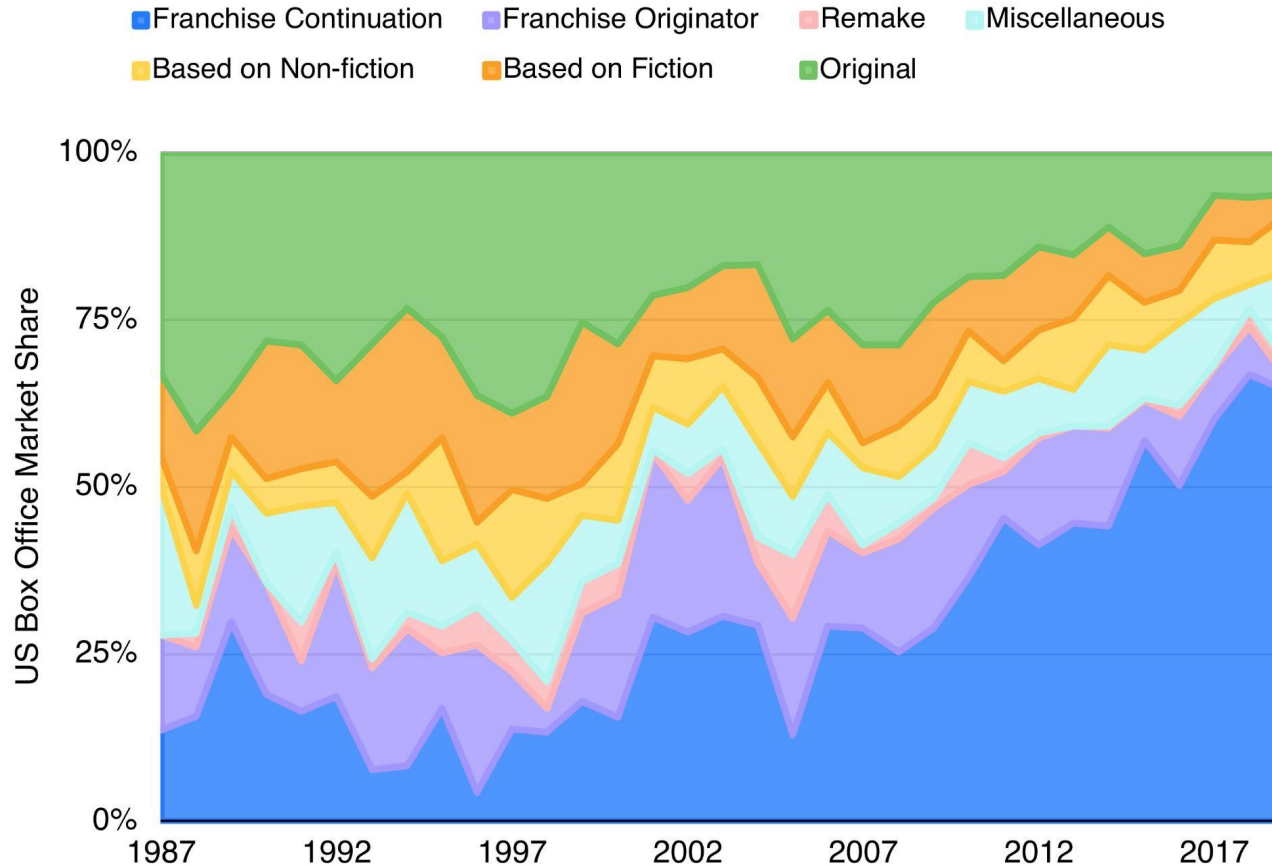
CNN

The Effect on Culture



Originality of Top 100 Films by Percent of U.S. Box Office, 1987-2019

Data: the-numbers.com (Opus Data)

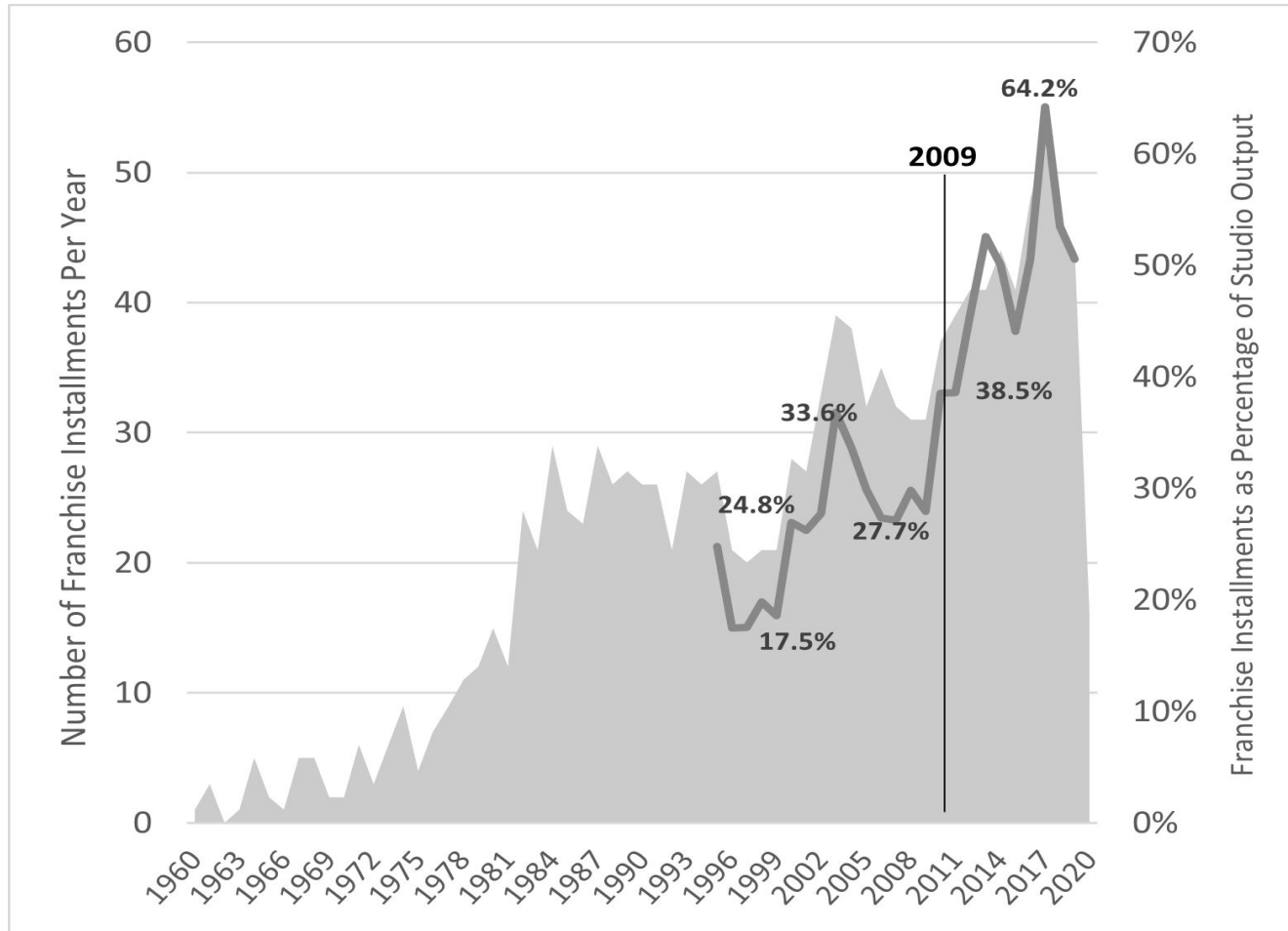


As recently as 1988, more than 40 percent of theatrical U.S. box office sales were achieved with original stories; that share of the box office fell to 6 percent by 2019.

Meanwhile, the establishment and continuation of franchises, which used to occupy about a quarter of the market, has since risen to occupy nearly three-quarters, with other types of adaptations accounting for most of the rest.

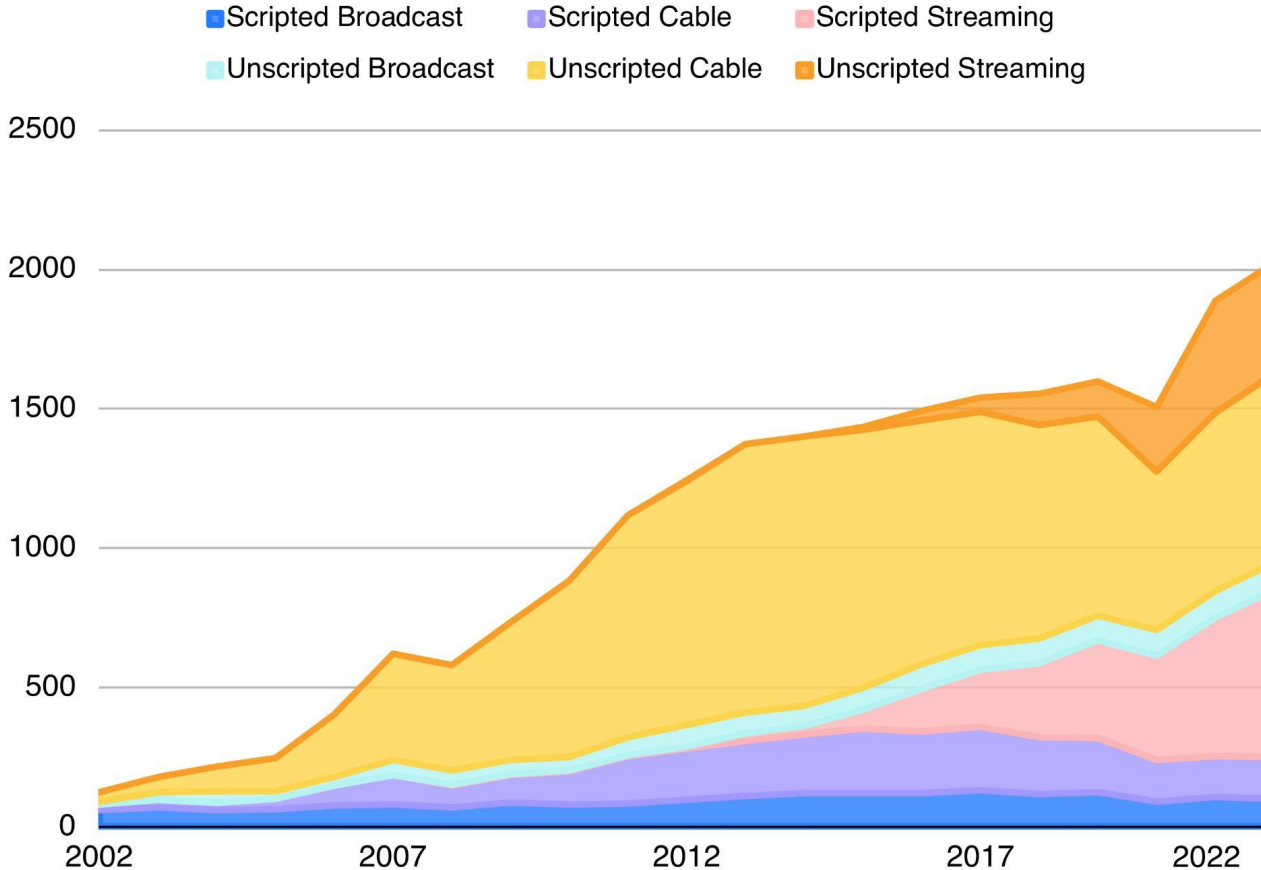
The Paramount-Warner Bros merger would increase this dependence on derivative, IP-based media.

Franchise Films Replace other Film Types



Total Television Series in U.S. by Type, 2002-2022

Data: Variety VIP+ and Ball (2023)



The rise in reality and unscripted programming on television takes off amidst the writers strike in 2007.

Reality shows are often not unionized and they avoid the higher costs associated with scripted programs, like salaries for established actors, directors, and writers. This was a strategy for the studios to diminish the power of the major unions.

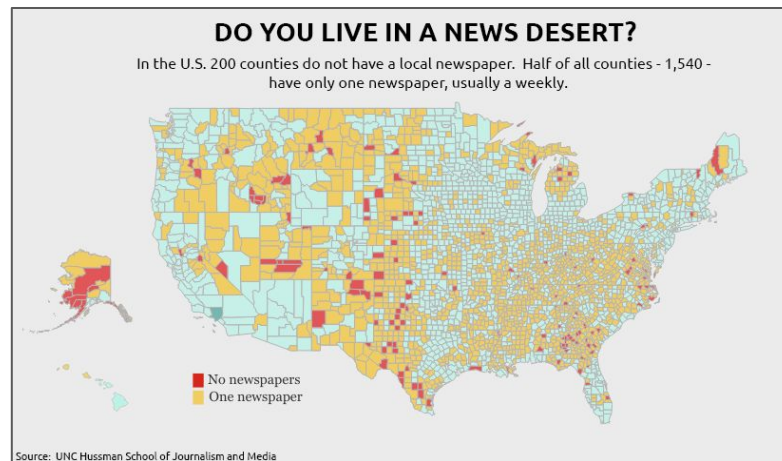
In the streaming era, this strategy has only accelerated; Netflix is now primarily producing unscripted and docuseries. Warner Bros is a leading producer of unscripted content, particularly since merging with Discovery.

Crisis in News



Consolidation in News

- **Crisis in Local News:** 3,500 newspapers have shuttered in the last 20 years, with about 2 closing every week
 - digital news has not replaced the loss
- **Decline in Journalism:** 45,000 reporting & editing jobs lost; 39 states have fewer than 1,000 journalists
- **News Deserts:** 50 million Americans have little or no access to local news
- NPR / CPB / PBS funding cut in July
- **mainstream national news is the ONLY legitimate source of news for rural areas**



Television News

- concentrating CBS News and CNN, two major American news organizations, under a single corporate umbrella introduces significant risks to media freedom and diversity
- Paramount has demonstrated responsiveness to political pressure from the current administration
 - Paramount paid \$16.5 million to settle a [baseless lawsuit](#) filed by President Trump
 - Paramount hired a conservative [“anti-woke” editor-in-chief](#) for CBS News, who has introduced a restructuring plan with [two rounds of layoffs](#) so far
 - Paramount created a [new Ombudsman position](#), hiring a conservative policy veteran, head of the right-leaning Hudson Institute
 - Paramount [censored 60 Minutes](#) and cancelled [The Late Show with Stephen Colbert](#)
 - Paramount has [shuddered CBS New Radio](#) after 100 years of broadcasting
 - Paramount promises [“sweeping changes”](#) to CNN, longtime Trump antagonist





Donald J. Trump

@realDonaldTrump · 15m

PRESIDENT TRUMP IS RESHAPING THE MEDIA

GONE

- PBS Defunded
- Joy Reid Out at MSNBC
- Colbert Leaving CBS
- Big Decline in MSM Ratings
- NPR Defunded
- Lester Holt Out at NBC
- No More Biased 'Fact Checking' (Meta)
- Jim Acosta Out at CNN
- Terry Moran Out at ABC
- Massive Layoffs (WP)
- Chuck Todd Out at NBC
- John Dickerson Out at CBS

REFORMS

- Record Setting Interviews
- FCC Broadcast Accountability
- Saved TikTok
- Disney Ends Key DEI Practices
- Truth Social Booming
- Most Accessible POTUS Ever
- CNN New Ownership
- Free Speech on X
- 1st POTUS to join NFL Broadcast
- \$15 Million Settlement (ABC)
- News Bias Ombudsman (CBS)
- Equal Time on Broadcast Television

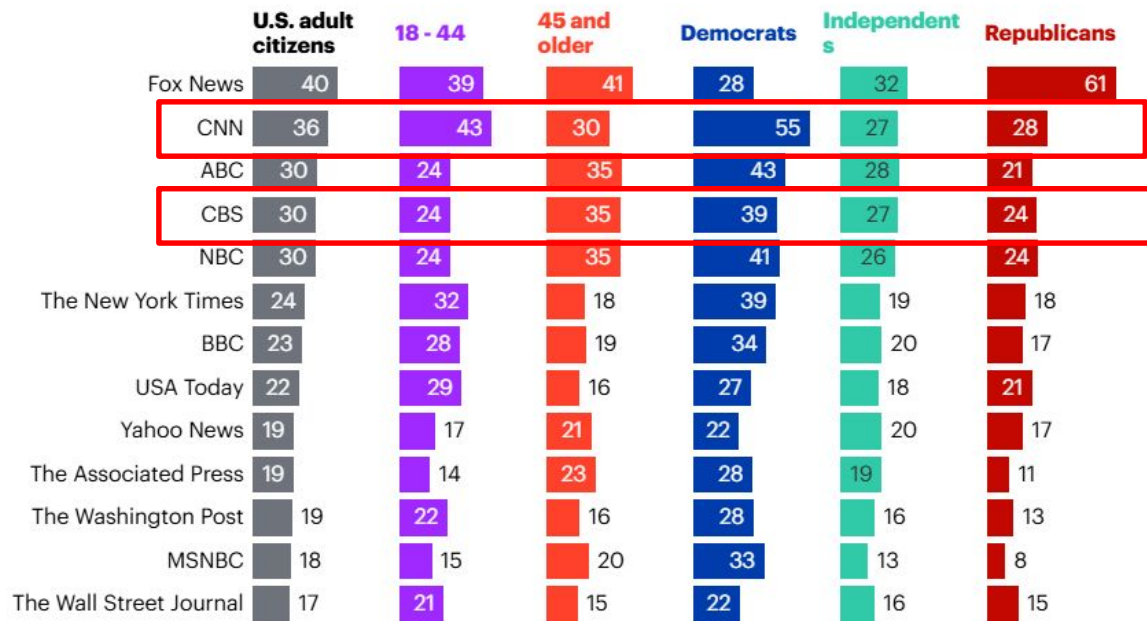
WINNING

- TRUMP'S WORLD
- The Guardian: Trump is waging war against the media – and winning
- Hollywood Reporter: Trump's Media Pitbull is Off the Leash
- 3M Followers on TikTok (outletshouse)
- Breitbart: Carr has already inspired (and led) hundreds across media class



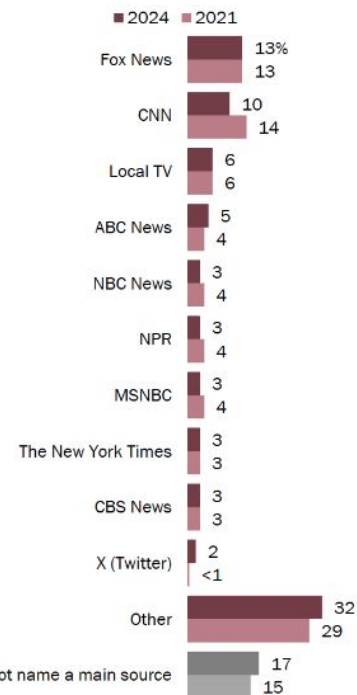
Which news sources have Americans used in the past month?

Which of these have you personally used as a source for news in the last month? Select all that apply. (% who select each)



Americans most often say Fox News, CNN are main sources for political news

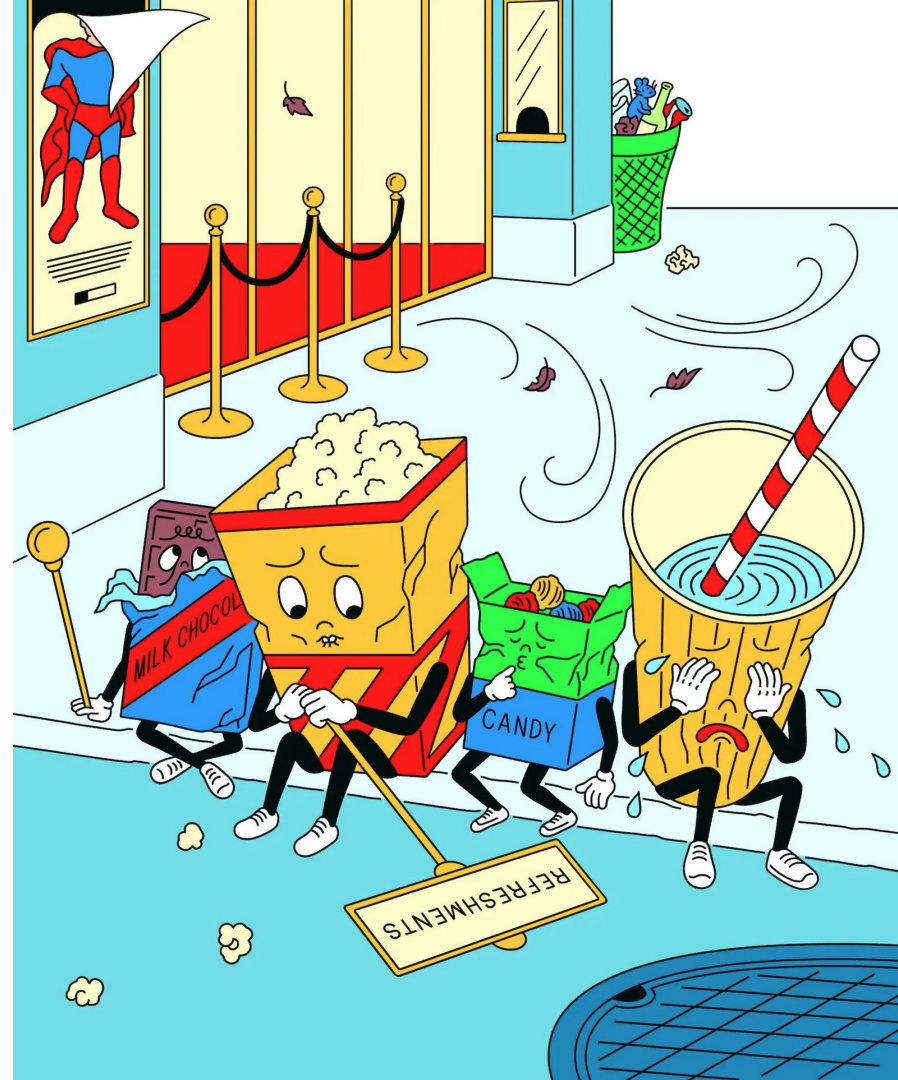
% of U.S. adults who name ___ as their main source of political news



Note: Main source of political news was asked as an open-ended question. Outlets that were mentioned by fewer than 2.0% in 2024 are not shown.

Source: Survey of U.S. adults conducted Sept. 16-22, 2024.

Movie Theaters Are At Risk



Industry Groups & Industry-Generated Data



National Association of Theatre Owners



**ENCYCLOPEDIA
OF
EXHIBITION**

**VOLUME 2
2019**



MOVIEGOING IS OUR MISSION



**THEME
REPORT
2021**

A comprehensive analysis and survey of the theatrical and home/mobile entertainment market environment for 2021.



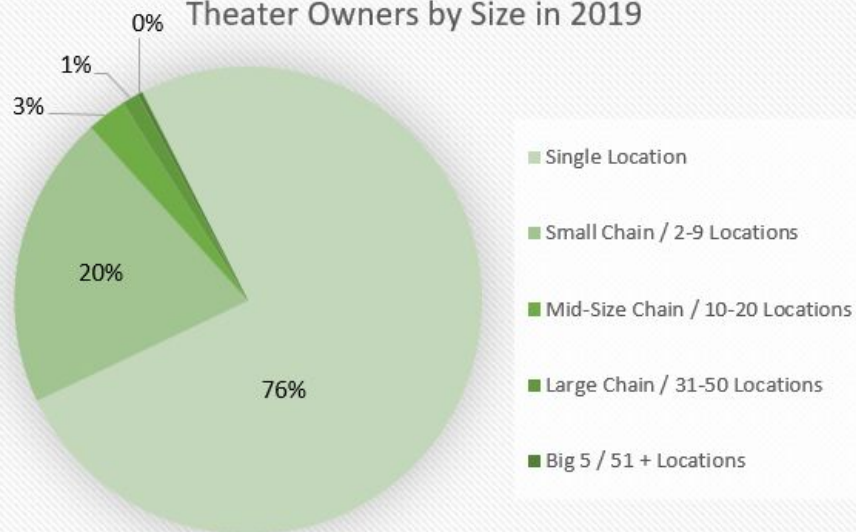
Independent Movie Theaters Worth Saving

- the 5th largest movie theater chain is already owned by Skydance-Paramount
- there are more than 1,000 independent theaters operating in the U.S., but the sector has been decimated over the last decade due to consolidated distribution (films from just 5 studios)

Ten Largest U.S. Theater Chains in 2019

Theater Owner	# of Locations	# of Screens	% of U.S. screens
AMC Entertainment Inc.	639	8080	19.40%
Regal Cinemas	549	7211	17.32%
Cinemark USA, Inc.	340	4579	11.00%
Marcus Theatres Corp.	90	1098	2.64%
National Amusements	79	920	2.21%
Harkins Theatres	34	515	1.24%
B & B Theatres	50	419	1.01%
CMX Cinemas	39	401	0.96%
Malco Theatres Inc.	34	353	0.85%
Starplex Cinemas, Inc.	33	350	0.84%

Theater Owners by Size in 2019



Previously Banned Behavior Returns

- Price Fixing
 - studios force movie theaters to price all movie tickets equally (since 1970s)
 - per capita requirements set minimum ticket prices, preventing discount offers
 - studios demand aggressive box-office splits without negotiation
- Refusal of Self-Programming
 - studios demand burdensome terms, e.g. a 4 week exclusive run
 - Studios refuse to release some films to venues that want them
 - Accusations of exclusive deals with 3 largest chains
- ...and the return of block-booking, unreasonable clearances, & circuit dealing

Select 1 Remaining Ticket		
Adult	\$25.48 \$22.49 + \$2.99 Fee*	− 0 +
Child Age 2-12	\$22.48 \$19.49 + \$2.99 Fee*	− 0 +
Senior Age 60+	\$23.98 \$20.99 + \$2.99 Fee*	− 0 +



THE ECONOMIC IMPACT OF MOVIE THEATRES

The positive trends at the box office and in the production pipeline are not just good for exhibition, they are good for the overall economy.

When people go to the movies and spend money on tickets and concessions, their trip -- often referred to as "movie night" -- also serves as a catalyst for other spending.



MOVIEGOERS SUPPORT LOCAL BARS AND RESTAURANTS



MOVIEGOERS SHOP AT NEARBY RETAIL STORES BEFORE OR AFTER A MOVIE



MOVIEGOERS HAVE TRAVEL EXPENSES
(PAYING FOR GAS, TAKING AN UBER)
RELATED TO THEIR TRIP

All of this creates enormous value to the overall economy and is an important part of the impact of movie theatres.

BEACON ECONOMICS CONDUCTED AN **ECONOMIC IMPACT STUDY** ON THE **UNITED STATES MOVIE THEATRE INDUSTRY** FOR 2023.

THE STUDY FOUND THE FOLLOWING:



Every dollar spent on movie nights contributes approximately **\$1.50** in additional economic activity across the economy.



More than **408,000 jobs** are supported by total movie night-economic activity.

\$5.7 BILLION*
2023's food & beverage (F&B) sales in U.S. theatres

\$8.2 BILLION**
2023's box office in the United States

\$20.9 BILLION
Additional ** activity generated by U.S. movie theatre purchases in 2023

\$34.8 BILLION +

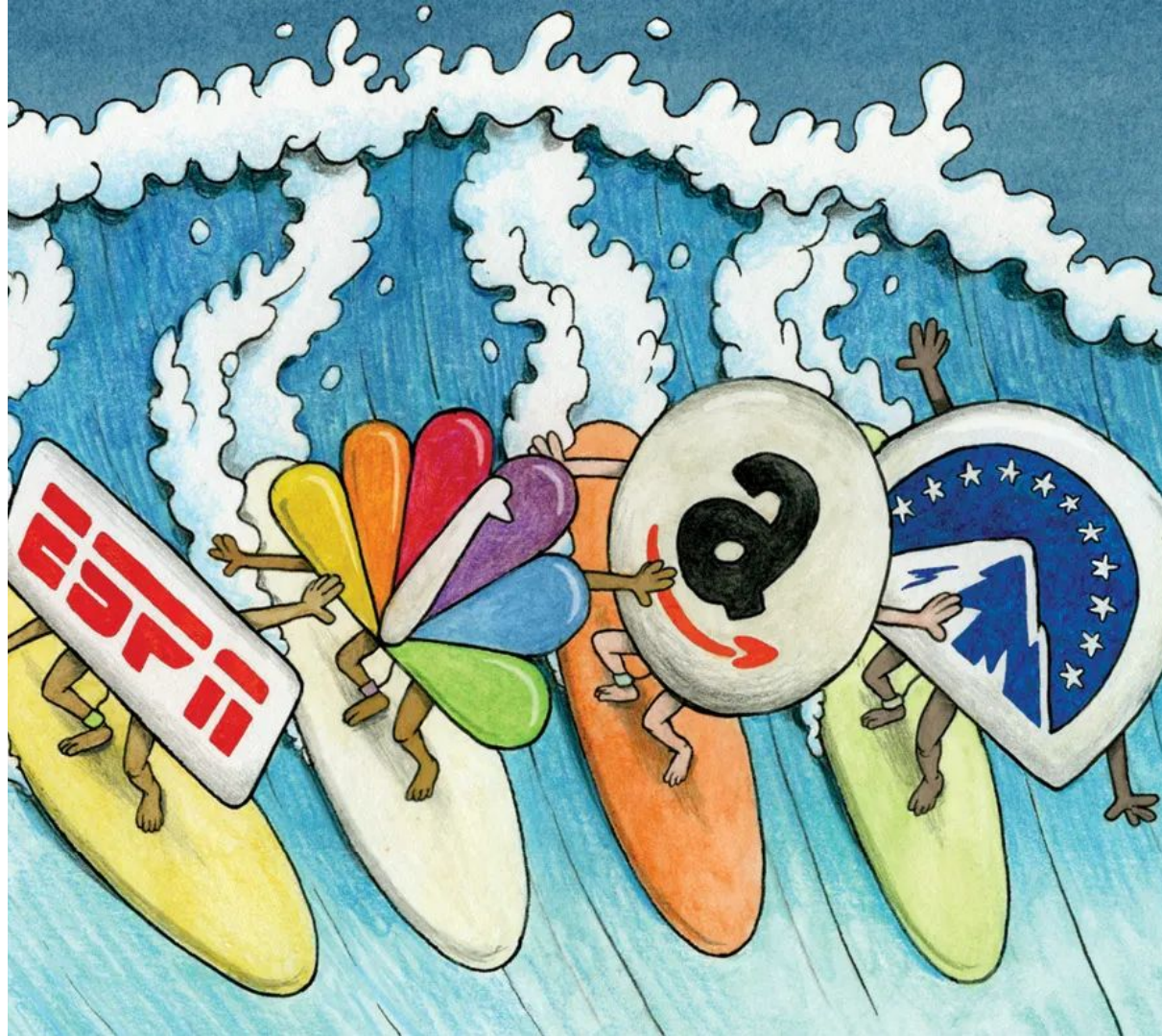
In GDP added to the U.S. economy by movie theatres

Movie Theaters as Cultural Institution

- in rural areas, a single-screen independent theater is often the only form of entertainment for 50-100 miles
- movie theaters anchor many towns' Main Streets and drive traffic to malls
- movie theaters hire locally and collaborate with local business
- one of the last remaining physical spaces where people of different backgrounds gather together
- many century-old movie theaters are permanently closing their doors



Battle for Sports Rights



Creating a Sports Juggernaut

- combining CBS Sports and TNT Sports would create a dominant player in broadcasting and streaming, with key rights to NFL, NHL, MLB, NCAA, PGA, UFC, Nascar, and more
- Paramount/Warner's negotiating and purchasing power over sports leagues would increase, as would their ability to raise consumer prices
- mass layoffs are expected



Finance Fuels Monopoly

DERIV
ATIVE
MEDIA

HOW WALL STREET

DEVOURS

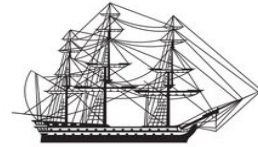
CULTURE

ANDREW DEWAARD

Asset Managers

- manage assets on others' behalf
 - eg. mutual funds, pension funds, investment companies, insurance firms, university endowments, and private foundations
- gone from owning about 7% of the US stock market in 1950, to nearly 70% today
- often own stakes in rival companies within concentrated industries
 - “horizontal shareholding” or “common ownership”
 - incentivized to keep prices high, wages low, and competition to a minimum

BLACKROCK



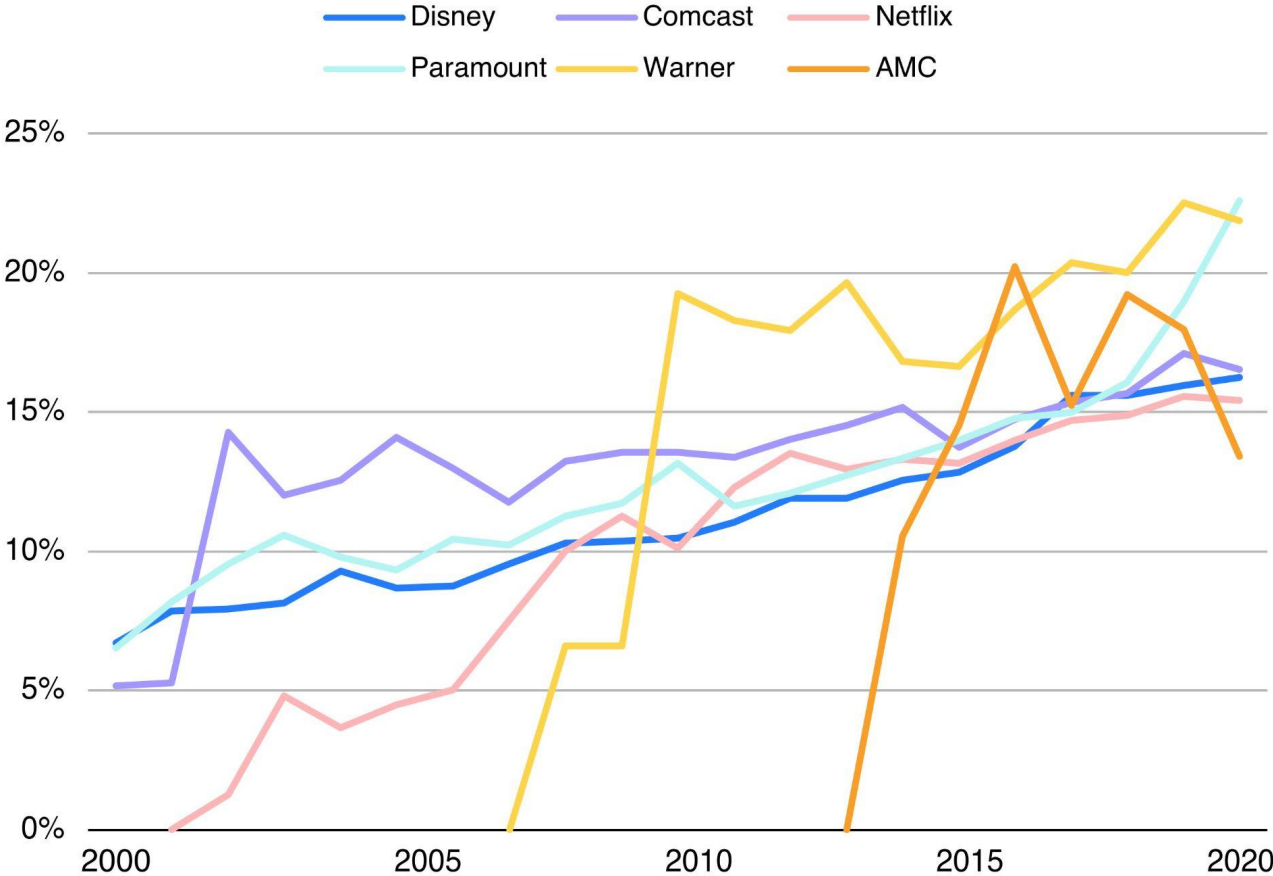
Vanguard[®]



STATE STREET[®]

Equity of Media Corps Held by Vanguard, BlackRock & State Street, 2000-2020

Data: Refinitiv



Private Equity

- operate investment funds that acquire companies with the company's own assets as collateral to the debt
- PE firm restructures the company to 'maximize efficiency,' pays itself through extraction methods, then 'exits' the investment by selling the streamlined property or taking it public

BainCapital

 TPG[®]

SILVERLAKE

The  Blackstone Group[®]

THE CARLYLE GROUP

KKR

Private Equity in Media

Year	Target	Buyer/Partner/Investor
2004	AMC	J.P. Morgan Partners, Apollo Global Management
2004	PanAmSat	KKR, Carlyle Group and Providence Equity
2004	Cinemark	Madison Dearborn Partners
2004	MGM	Providence Equity Partners, TPG Capital, Sony, Quadrangle Group, DLJ Merchant Banking Partners
2004	Odeon & UCI Cinema	Terra Firma
2004	Warner Music Group	THL Partners, Bain Capital, Providence Equity Partners, Edgar Bronfman
2004	Concord Music Group	Tailwind Capital Partners
2005	Cumulus	Bain, Blackstone, THL
2005	Susquehanna Radio	Cumulus
2005	Stage Three Music	Apax Partners, HSBC Private Bank
2006	Cumulus	Providence Equity Partners
2006	Nielsen Company	THL Partners, Blackstone Group, Carlyle Group, Kohlberg Kravis Roberts, Hellman & Friedman, Alpinvest Partners
2007	Bell Canada Enterprises	Canada Pension Plan, Ontario Teachers' Pension Plan, Cerberus Capital Management, Providence Equity Partners, Madison Dearborn Partners, Merrill Lynch Global Private Equity, and Toronto-Dominion Bank
2007	Hulu	Providence Equity Partners
2007	EMI	Terra Firma Capital Partners
2007	Univision	TPG Capital, Providence Equity Partners, THL Partners, Madison Dearborn Partners, and Haim Saban
2008	Clear Channel (iHeartMedia)	Bain Capital and THL Partners
2008	The Weather Channel	Blackstone, Bain Capital, NBCU
2008	Dreamworks	Reliance ADA Group

Year	Target	Buyer/Partner/Investor
2010	Charter	Apollo, Crestview, Oaktree
2010	Miramax	Colony Capital
2010	Cumulus	Crestview Partners
2010	AMC	J.P. Morgan Partners, Apollo Global Management
2010	CAA	TPG Capital
2011	Cumulus	Bain, Blackstone, THL
2013	WME	Silver Lake
2016	UFC	WME/Silver Lake, KKR
2018	Wanda/AMC	Silver Lake
2018	one77 Music	Virgo Investment Group
2019	CBS	Viacom
2019	Tempo Music Investments	Providence Equity Partners & Warner Music Group
2020	Sunset Gower Studios (Hudson Pacific)	Blackstone
2021	Yahoo & AOL	Apollo
2021	DirectTV	TPG Capital
2021	Grupo Televisa	Univision Holdings
2021	HarbourView Equity Partners	Apollo Global Management
2021	Hipgnosis Song Management	Blackstone
2021	Hipgnosis Songs Capital	Blackstone
2021	Primary Wave Music	Oaktree Capital
2021	Spirit Music Group	Northleaf Capital Partners; Caisse de dépôt et placement du Québec (CDPQ)
2022	Legendary	Apollo
2024	Paramount	Skydance, RedBird Capital, KKR

Hedge Funds

- use financial instruments and pressure tactics on public firms to extract “alpha” for its investors, in exchange for hefty fees
- hedge-fund activists: pressure companies to increase cash flow and extract that cash flow
 - eg. Elliott played a big role in AT&T spinning off Warner into a merger with Discovery

ELLIOTT[®]

 **CITADEL**

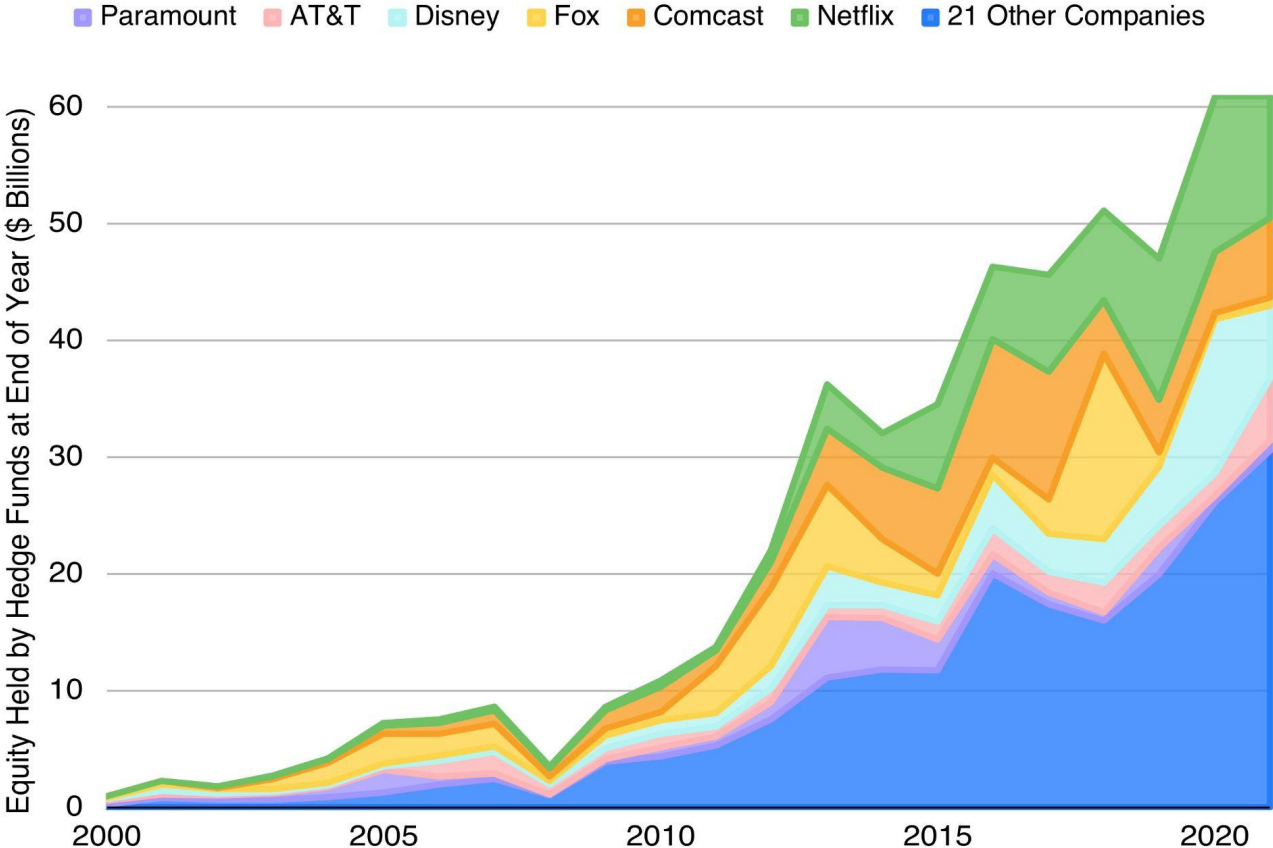
 **Renaissance**

millennium

 **ANCHORAGE**
CAPITAL GROUP

Hedge Fund Trading in Media Companies, 2000-2021

Data: Refinitiv



Corporate Venture Capital

- non-financial corporation that make minority equity investments in early-stage ventures
- financial arms of major corporations are now often growing faster than their manufacturing divisions and have come to resemble investment banks and hedge funds more so than their conventional parent company



Sony Innovation Fund

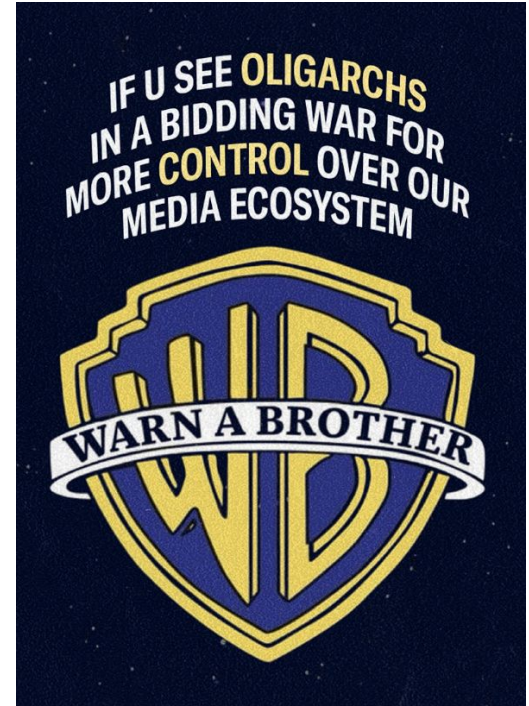
Corporate Venture Capital in Media

Parent Company	Company Name	Acquisitions	Investments
AMC (TV)	AMC (TV)	3	2
AMC Theatres	AMC Theatres	5	1
AT&T	AT&T	32	49
Bertelsmann	Bertelsmann	7	40
	BDMI (Bertelsmann Digital Media Investments)	-	173
	Bertelsmann Asia Investments	-	137
	Bertelsmann India Investments	-	38
	Bertelsmann Investments	-	1
Charter	Charter	7	8
Comcast	Dreamworks Animation	3	1
	Comcast	37	23
	Peacock Equity	-	18
	Comcast Ventures	1	350
	Comcast NBCUniversal LIFT Labs Accelerator	-	44
Creative Artists Agency	Creative Artists Agency	6	8
	CAA Ventures	-	57
DISH	DISH	7	-
Disney	Disney	28	20
	Disney Accelerator	-	51
	Shamrock Capital Advisors	7	23
	Steamboat Ventures	-	110
	Disney Interactive	5	3
	20th Century Studios	-	4
	21st Century Fox	5	16
Audacy	Entercom / Audacy	6	-
	CBS Radio	-	3
Fox Corporation	Fox Corporation	4	2
	Fox Interactive Media	8	1
	Fox Networks	2	3
iHeartMedia	iHeartMedia	6	14
Liberty Global	Liberty Global	11	27
	Liberty Global Ventures	-	62
Liberty Media	Liberty Media	7	27
	Liberty Associated Partners	-	12
	Liberty Israel Venture Fund	-	8
	Liberty Technology Venture Capital	-	6

Parent Company	Company Name	Acquisitions	Investments
Lionsgate	Lionsgate	6	14
MGM	MGM	2	10
Netflix	Netflix	5	3
News Corp	News Corp	24	27
Nexstar	Nexstar	9	1
Nintendo	Nintendo	1	4
Roku	Roku	5	-
Sinclair Broadcast Group	Sinclair Broadcast Group	14	5
Sony	Sony Electronics	1	1
	Sony Music Entertainment	7	19
	Sony Computer Entertainment	9	-
	Sony Innovation Fund	-	103
	Sony Interactive Entertainment	4	3
	Sony Pictures Entertainment	7	8
Spotify	Spotify	22	5
Summit Entertainment	Summit Entertainment	-	-
Universal Music Group	Universal Music Group	6	32
Verizon	Verizon	33	12
	Verizon Wireless	3	7
	Verizon Business	1	-
	Verizon Media Tech Venture Studio with R/GA	1	-
	Verizon Ventures	-	143
	AOL Ventures	-	38
Paramount	ViacomCBS	6	2
	Viacom	17	9
	CBS Entertainment	10	4
	CBS Corporation	6	7
	CBS Interactive	3	-
Vivendi	Vivendi	17	5
Warner Bros Discovery	WarnerMedia	3	1
	Time Warner Investments	-	94
	Warner Bros.	11	21
	TimeWarner	4	27
	Scrpps Networks	8	12
	Discovery	22	24
Warner Music Group	Warner Music Group	13	35

Main Reasons Why We Would Oppose this Merger

- consumers will face higher prices in movie theaters, for streaming content, and for all media-related goods and services
- the current news crisis will worsen
- mediamakers will experience more censorship on every level
- independent media creators & companies will face more barriers
- more movie theaters will close
- workers will be laid off, wages will decrease
- Los Angeles (and the U.S.) might lose its dominance as a global center of media production and as a global media headquarters
- there will be less innovation in media and fewer new entrants
- media will be less original, less varied, less diverse
- media will be more risk-averse, more derivative, and more IP-based



an example of the growing discontent with this proposed merger

Hollywood is Acting as a Cartel

In 1948, the U.S. Supreme Court determined Hollywood was acting as a cartel and intervened to dismantle studio power. Today's major media conglomerates are *already* more concentrated, more horizontally integrated, more vertically integrated, more predatory, and more powerful than the film studios of the the 1940s.

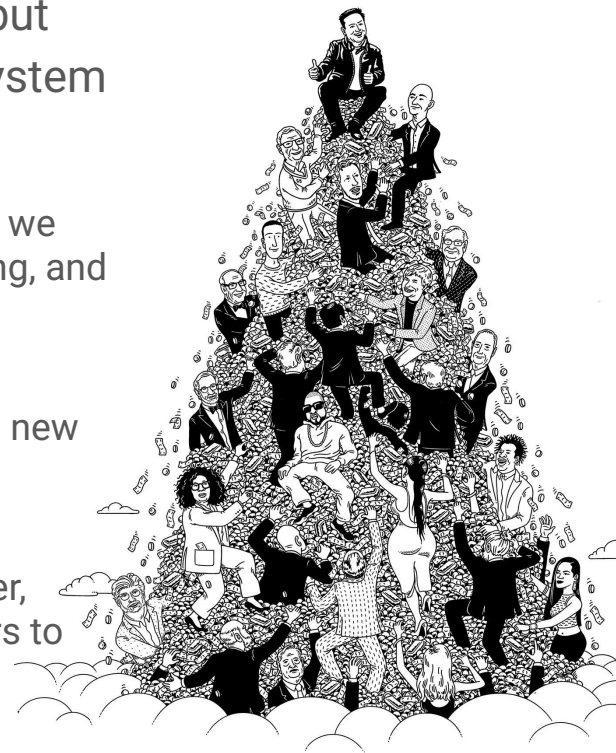


- the free market has failed to maintain a competitive and fair media ecosystem
- consolidated ownership has already put a measurable strain on the labor market and on the quality of media products & services
- for years, small media businesses have been forced to negotiate with just five large media companies—each of which is highly motivated to maintain both their individual power *and* the status quo, in which a few large companies dominate
- ANY merger between the big 5 companies would pose a threat; power is already too concentrated
- however, it is clear that Paramount specifically is not acting in the best interest of media creators, media workers, or media consumers, and the media industry as a whole will suffer in the long-term

Offering a New Narrative

Let's reject a bad merger and refute Paramount's narrative; but let's also offer a new narrative, about building a better ecosystem for media, culture, business, news, and information.

- In an age of extreme wealth inequality and democratic backsliding, we need to redefine the public interest as widespread human flourishing, and that includes vibrant culture with diverse and independent media.
- Amidst the rise of user-generated culture and AI slop, we need a flourishing media industry that embraces creativity, innovation, and new businesses; these things don't happen in a consolidated and anti-competitive market.
- The executives behind this deal are after personal wealth and power, NOT the long term health of the media business; we need regulators to step in to save Hollywood from itself (or rather, its worst actors), preserving a historical media tradition envied around the globe.



Building an Argument Based on Data

Prior Mergers to Consider:

- WarnerMedia + Discovery (2022)
- Disney + Fox (2019)
- Scripps + Discovery (2018)
- AT&T + Time Warner (2018)
- Comcast + Dreamworks (2016)
- Comcast + NBC Universal (2013)
- Disney + Lucasfilm (2012)
- Disney + Marvel (2009)
- Universal + NBC (2004)
- Viacom + CBS (1999)

Industry Consolidation Trends

- Market Shares & Definitions
- Consumer Prices: Movie Tickets, Streaming Subscriptions, Cable, PayTV
- Other Negotiated Costs: Ads, First Look Deals, Salary
- Financial Metrics (Debt, Profit, Revenue, etc.)
- Runaway Production
- Diversity Metrics
- Film Festival Metrics
- Slate Analysis
- Comparisons b/w Independents & Congloms

<https://tinyurl.com/wbmergerfacts>

