



June 3, 2026

United Kingdom Competition and Markets Authority  
Case team for *Paramount / Warner Bros. Discovery* merger inquiry

**Re: Competition and Markets Authority Comment: Anticipated Acquisition by Paramount Skydance of Warner Bros. Discovery.**

Democracy Defenders Fund (“DDF”) submits these written representations in response to the United Kingdom (“UK”) Competition and Markets Authority’s (“CMA”) examination of Paramount Skydance Corporation (“Paramount”) anticipated acquisition of Warner Bros. Discovery, Inc. (“WBD”). We write on behalf of competitive markets for creative and journalistic work, as well as public interest in press freedom, media plurality, and interests the proposed transaction places under direct and sustained threat in the United Kingdom.

DDF recognises that the harms of this transaction extend beyond the United States. The combined entity would eliminate one of the few remaining major commissioning platforms competing for UK creative work, consolidate control over uniquely valuable archival inputs upon which UK documentary and journalistic production depend, further increase costs for consumers to access premium and must-watch streaming content, and accelerate trends in vertical integration that already place independent UK producers, distributors, exhibitors, and creative workers under sustained pressure. We urge the CMA to refer the transaction for an in-depth Phase II investigation with a view to prohibition or securing suitable remedies, and to fulfil its duty to notify the Secretary of State that this transaction raises material public interest considerations.

**I. About the Submitting Organization**

DDF is a United States nonpartisan nonprofit organization formed under 26 U.S.C. § 501(c)(3) dedicated to fighting autocracy, and building a pluralistic, inclusive democratic system. DDF’s work spans legal analysis, communications, and coalition engagement with civil-society partners. As part of this mission, we formally oppose the proposed Paramount-WBD transaction, which raises serious competition concerns, presents serious harms to the international media and entertainment ecosystem, and has the potential to undermine democratic governance around the world.<sup>1</sup> We submit these representations to assist the CMA in assessing the transaction’s distinct effects on the UK.

**II. The Relevant Markets and the UK’s Stake**

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<sup>1</sup> [https://www.booker.senate.gov/imo/media/doc/final\\_fcc\\_letter\\_on\\_warner\\_bros.pdf](https://www.booker.senate.gov/imo/media/doc/final_fcc_letter_on_warner_bros.pdf)

The UK film and high-end television (“HETV”) sector is a strategic British industry. The British Film Institute reports £6.8 billion in UK production spent on film and HETV in 2025, a 22 percent increase on 2024, with inward investment films and HETV combined delivering £5.8 billion - 85 percent of total spend.<sup>2</sup> The sector supports more than 180,000 jobs across the country<sup>3</sup> and contributes approximately £12 billion annually to UK gross value added, with growth that has outpaced the wider UK economy in recent years.<sup>4</sup>

That economic footprint depends on a structural fact the CMA must keep at the center of its analysis: the UK industry operates inside a global supply chain dominated by a small number of US studios and streaming platforms. UK independent producers rely on US commissioning partners; UK distributors and exhibitors rely on WBD and Paramount catalogues for theatrical release and repertory programming; UK documentary makers rely on the CNN and CBS archives to assemble historical and current-affairs work. A transaction that contracts the US side of that supply chain contracts the UK industry that depends on it. The harm is direct, measurable, and immediate.

As set out in more detail below, DDF considers there are likely to be anticompetitive effects in at least the following markets: the acquisition and distribution of independent film and television content; the market for creative labour in the UK film and television sector; the supply of SVOD and TVOD streaming platforms; the market for premium live sports broadcasting rights; the market for archival inputs and the market for the production and distribution of rights of films for theatrical exhibition.

### III. The Transaction’s Economics

The specific financing of the Paramount-WBD deal creates a corporate environment where cost-cutting and price maximization are not merely options but mathematical necessities for debt service.<sup>5</sup> The structure of the deal - which values WBD at \$111 billion - is financed with a huge level of leverage, with the pro-forma debt load for the combined company estimated at around \$84 billion, making it one of the largest proposed leveraged buyouts in history.<sup>6</sup> This includes billions from Middle Eastern sovereign wealth funds,<sup>7</sup> which will, according to Paramount’s recent filing with the US Federal Communications Commission, hold 38.5% of the combined company’s equity.<sup>8</sup> This places the deal’s leverage ratio around 6.8x.<sup>9</sup>

<sup>2</sup> <https://www.bfi.org.uk/news/official-bfi-statistics-2025>.

<sup>3</sup> <https://publications.parliament.uk/pa/cm5901/cmselect/cmcomeds/1123/report.html>.

<sup>4</sup> <https://committees.parliament.uk/writtenevidence/125687/pdf/>.

<sup>5</sup>

<https://www.paramount.com/press/paramount-to-acquire-warner-bros-discovery-to-form-next-generation-global-media-and-entertainment-company>.

<sup>6</sup>

<https://www.prnewswire.com/news-releases/wbd-files-definitive-proxy-statement-and-schedules-special-meeting-for-march-20-2026-to-approve-the-wbd-netflix-transaction-302689458.html>:

<https://prospect.org/2026/03/02/paramount-warner-merger-netflix-hollywood-jobs-layoffs-antitrust/>.

<sup>7</sup> <https://prospect.org/2026/03/02/paramount-warner-merger-netflix-hollywood-jobs-layoffs-antitrust/>.

<sup>8</sup> <https://deadline.com/2026/04/paramount-fcc-request-wbd-merger-middle-east-1236873732/>.

<sup>9</sup> <https://seekingalpha.com/article/4879397-warner-bros-discovery-paramount-skydance-lower-risk-arb-play-leveraged-bet>. It’s worth noting here that the legendary Kohlberg Kravis Roberts (“KKR”) \$24.8 billion deal for RJR Nabisco had a 7.5x leverage ratio. KKR would ultimately cut 46,000 jobs and shed \$6.2 billion in assets within six years of the purchase. When KKR and two partners bought Toys ‘R’ Us in 2005, that deal had about a 7x leverage ratio. Toys ‘R’ Us slid into bankruptcy and 33,000 workers lost their jobs. See <https://prospect.org/2026/03/02/paramount-warner-merger-netflix-hollywood-jobs-layoffs-antitrust/>.

The combined entity plans to make this leverage ratio work by finding around \$6 billion in synergies - a high target that will almost certainly force it to make mass layoffs across the entertainment and news industries.<sup>10</sup> Internal projections suggest that duplicative operations in HR, IT, marketing, and distribution will lead to the elimination of thousands of positions, as we saw in the *Disney / Fox* merger.<sup>11</sup> Even if CEO David Ellison does not renege on his pledge that Paramount Studios and WBD will each release 15 feature films per year, this does not suggest there will not be reductions in headcounts. That commitment is in any event unenforceable and, on its face, commercially implausible.<sup>12</sup> A slate of thirty combined theatrical releases per year - one every twelve days - would place individual titles in direct competition with one another for screen time, marketing spend, and audience attention.

#### IV. Key Competition Concerns

##### A. Horizontal unilateral effects

##### a. Reduction in output: the acquisition and distribution of content from independent producers

As recognised in the CMA's Merger Assessment Guidelines ("Guidelines"), "*rivalry creates incentives for firms to... increase output.*"<sup>13</sup> It follows the converse is true, in a more concentrated market firms are less economically active, both in terms of financing, distributing and acquiring independent content and producing their own content.

The consequences of studio consolidation for theatrical output are not speculative: following the EC's clearance of the *Disney/Fox* transaction in 2019, the combined entity significantly reduced Fox's theatrical output. Fox had historically released 15-20 films per year for theatrical distribution;<sup>14</sup> post-merger, Fox's slate was drastically cut.<sup>15</sup> This particularly impacted original content: Fox's independent studio, Fox 2000, was closed the day after the merger completed.<sup>16</sup>

Another example is WBD itself: after Discovery closed its \$43 billion acquisition of WarnerMedia in April 2022, WBD shed thousands of employees, shelved finished films such as the \$90 million *Batgirl*, and slashed development slates as it struggled to service roughly \$50 billion in merger-related debt.<sup>17</sup>

DDF is particularly concerned about the merged entity's willingness to acquire and distribute independent content. UK independent films constituted 6.8% of the UK and Republic of Ireland box office in 2025, a

<sup>10</sup>

<https://www.paramount.com/press/paramount-to-acquire-warner-bros-discovery-to-form-next-generation-global-media-and-entertainment-company>

<sup>11</sup> <https://www.ibtimes.com/fox-layoffs-4000-job-cuts-following-disney-fox-merger-2778638>

<sup>12</sup>

<https://www.cnbc.com/2026/04/29/david-ellison-paramount-warner-bros-30-film-releases.html?msockid=31deacf435d769f309afbb95343168d3>

<sup>13</sup> <https://www.gov.uk/government/publications/merger-assessment-guidelines/merger-assessment-guidelines-html-version>

<sup>14</sup> <https://cinemaunited.org/wp-content/uploads/2026/01/SFR-Cinema-United-1.2.26.pdf>

<sup>15</sup> <https://cinemaunited.org/wp-content/uploads/2026/01/SFR-Cinema-United-1.2.26.pdf>

<sup>16</sup> <https://www.hollywoodreporter.com/news/general-news/elizabeth-gablers-fox-2000-shutter-disney-reorganization-1196298/>

<sup>17</sup> <https://thedepauw.com/warner-bros-discovery-losses-and-controversies/>

meaningful slice of UK cultural output and economic activity that the CMA must protect.<sup>18</sup> Further, independent UK film occupies a structurally vulnerable position within the broader industry. Unlike studio productions that move through vertically integrated pipelines owned by the same company that finances them, independent films must secure external funders and buyers at every stage.

A reduction in acquisition and distribution of independent content is already a challenge facing the market: Sundance Film Festival acquisition data, the most reliable longitudinal measure of buyer competition in independent film, shows that acquisitions fell by 50 percent between 2019 and 2025, while annual submissions continued to exceed 17,000 across the same period.<sup>19</sup> The pipeline of work seeking distribution grew; the number of films reaching audiences shrank by half. Further, a 2026 survey of 820 documentary professionals globally found that 77 percent of respondents report fewer professional opportunities than before, up from 26 percent in 2020.<sup>20</sup> Only 17 percent now view streaming distribution as a positive future opportunity, down from 50 percent five years ago - a 66 percent collapse in professional confidence over five years.<sup>21</sup> UK documentary producers participated in this survey, and the findings hold across the global documentary field.

A reduction in acquisition and distribution of independent content seems all the more inevitable in light of the deal structure (see *Transaction Economics* above), which leaves Paramount with an unprecedented level of debt to service. In this context, the acquisition and distribution of riskier independent third-party productions, in favour of lower risk franchises which are owned by the merged entity (of which there are many: *Mission: Impossible*, *Top Gun*, *Transformers*, *Star Trek*, *A Quiet Place*, *Teenage Mutant Ninja Turtles*, *Sonic the Hedgehog*, *Indiana Jones* being examples owned by Paramount, DC Universe (*Batman*, *Superman*, *Wonder Woman*, *Aquaman*, *Joker*), the Wizarding World (*Harry Potter*; *Fantastic Beasts*), *MonsterVerse* (*Godzilla*, *Kong*), and *The Conjuring* horror franchise being examples owned by WBD), seems highly unlikely.

#### b. Weaker bargaining position for independent UK film and TV producers

The CMA's Guidelines recognize the potential for negative effects following buyer consolidation, the Guidelines are explicit that anticompetitive effects "*can occur in relation to customers at any level of a supply chain, for example at a wholesale level or retail level (or both), and is not limited to end consumers.*"<sup>22</sup>

Even where the combined entity continues to commission UK work, the increased marketing power of the combined entity will mean terms on which it does so will degrade. Co-production activity between UK and US producers has risen sharply in recent years as a means of absorbing UK producers' cost pressure;<sup>23</sup> removing a major commissioning partner eliminates the negotiating leverage on which that model depends. As a result of the consolidation of two major studios into one even larger one, UK film

<sup>18</sup> <https://www.bfi.org.uk/news/official-bfi-statistics-2025>.

<sup>19</sup> <https://blockthemerger.com/statements/ffc-senate-hearing-feb3-2026.pdf>.

<sup>20</sup> [https://cmsimpact.org/wp-content/uploads/2016/08/OS-CMSI-Key-Finding-Report\\_FULL\\_v6-1.pdf](https://cmsimpact.org/wp-content/uploads/2016/08/OS-CMSI-Key-Finding-Report_FULL_v6-1.pdf)

<sup>21</sup> [https://cmsimpact.org/wp-content/uploads/2016/08/OS-CMSI-Key-Finding-Report\\_FULL\\_v6-1.pdf](https://cmsimpact.org/wp-content/uploads/2016/08/OS-CMSI-Key-Finding-Report_FULL_v6-1.pdf)

<sup>22</sup> <https://www.gov.uk/government/publications/merger-assessment-guidelines/merger-assessment-guidelines-html-version>.

<sup>23</sup> <https://bmmagazine.co.uk/news/hollywood-spend-record-uk-film-production-2025/>.

and TV producers' countervailing bargaining power will necessarily diminish, as the reduced number of alternative suppliers limits UK film and TV producers' ability to substitute away and absorb the impact.

In particular, the merger will result in the loss of an important buyer in the market for licensing independent films to subscription streaming services. The pay-one streaming licence window, the first exclusive subscription streaming window for a film, is an increasingly important revenue pillar for independent producers.<sup>24</sup> Merging HBO Max and Paramount+ removes one buyer from this contracted window. While Paramount and WBD's market shares are currently limited in the UK, HBO Max's subscription market share in the UK is likely to be unrepresentative, as HBO Max only launched in the UK in March 2026.<sup>25</sup> HBO Max has been reported to have made record-breaking progress, attracting 1.5 million UK subscribers in the first 5 days.<sup>26</sup> This is the fastest start of any streaming platform to pass the 1 million mark in the market. HBO Max and Paramount+ market share in the US may be more informative of their potential in the UK than current UK shares. Data based on number of subscriptions suggests that HBO Max has an estimated 12-14% market share, and Paramount+ has an estimated 5-9%,<sup>27</sup> meaning a combined market share which could be approaching 25%.

c. Concentration of buyer power with respect to labour is likely to lead to job losses and worse working conditions

Horizontal unilateral effects include monopsony effects, namely the concentration of buyer power in labour markets, which may reduce competition for workers and adversely affect wages, compensation, and working conditions. In *Tesco/Booker*, the CMA analysed whether the merger could lessen competition because the merged firm might obtain more favourable supply terms or increased buyer power.<sup>28</sup> In *Sainsbury's/Asda*, the CMA also analysed buyer-power theories of harm.<sup>29</sup> Finally, the CMA's labour markets paper and its recent enforcement activity concerning anti-competitive conduct in labour markets - although arising in the context of Chapter I and Chapter II Competition Act 1998 investigations - demonstrate that the CMA recognises that reduced competition in labour markets can adversely affect employees and the wider market, including through lower wages and poorer working conditions, and demonstrate that protecting competition in labour markets is an increasing strategic priority.<sup>30</sup>

In this case, the merger will lead to two major employers in the film and TV industry consolidating. The empirical literature on post-merger labour-force restructuring is unambiguous: mergers of the scale and structure proposed here produce significant employment contraction in the merging firms and downward pressure on wages across the labour market they share with non-merging competitors. Net employment of target firms generally declines by 55.4 percent within two years after acquisition, with declines concentrated in targets that close establishments entirely, while combined-firm employment falls by 7.2 percent on average across the merger sample.<sup>31</sup> Employee turnover increases by roughly 30 percent

<sup>24</sup> <https://www.hollywoodreporter.com/movies/movie-news/streamer-indie-film-financing-berlin-1235827683/>.

<sup>25</sup> [https://press.wbd.com/us/media-release/hbo-max-launch-uk-ireland-thursday-march-26?language\\_content\\_entity=en](https://press.wbd.com/us/media-release/hbo-max-launch-uk-ireland-thursday-march-26?language_content_entity=en).

<sup>26</sup> <https://www.broadbandtvnews.com/2026/04/09/hbo-max-tops-1-5-million-uk-subscribers-in-first-5-days/>.

<sup>27</sup> <https://evoca.tv/streaming-service-market-share/>; and <https://scoop.market.us/streaming-services-statistics/>.

<sup>28</sup> <https://assets.publishing.service.gov.uk/media/5a3a7dd7ed915d618542b8df/tesco-booker-final-report.pdf>.

<sup>29</sup> [https://assets.publishing.service.gov.uk/media/5cc1ec1340f0b64031cfa6f0/Final\\_reportSA.pdf](https://assets.publishing.service.gov.uk/media/5cc1ec1340f0b64031cfa6f0/Final_reportSA.pdf).

<sup>30</sup> <https://assets.publishing.service.gov.uk/media/68bfbb38c6d992f23edd75c/competing-for-talent-guide.pdf>.

<https://www.gov.uk/cma-cases/suspected-anti-competitive-behaviour-relating-to-the-purchase-of-freelance-services-in-the-production-and-broadcasting-of-sports-content>.

<sup>31</sup> [https://www.qmul.ac.uk/sef/media/econ/images/documents/Post-merger-Restructuring-of-the-Labor-Force\\_compressed.pdf](https://www.qmul.ac.uk/sef/media/econ/images/documents/Post-merger-Restructuring-of-the-Labor-Force_compressed.pdf).

relative to control firms, and acquirers replace departing employees with new external hires who are approximately four years younger and earn approximately 11.2 percent less than those they replace. And more than 40 percent of the employees who leave the merged firm lose human capital, becoming either unemployed or accepting lower-paid jobs.<sup>32</sup>

Consolidations producing large increases in local employment concentration in industries with industry-specific skills generate measurable wage growth slowdowns, particularly for workers with specialised skills whose mobility between firms is constrained.<sup>33</sup> The UK film and television workforce, characterised by these industry-specific skills, geographic concentration around major production hubs, and dependence on a small number of large employers, is precisely the population this literature predicts will be most affected.

This is not hypothetical: as above, after Discovery closed its \$43 billion acquisition of WarnerMedia in April 2022, WBD shed thousands of employees, shelved finished films such as the \$90 million *Batgirl*, and slashed development slates as it struggled to service roughly \$50 billion in merger-related debt.<sup>34</sup> Successive layoff rounds followed in 2023, 2024, and 2025 including a roughly 10 percent cut to the WBD Motion Picture Group in July 2025 that eliminated more than 50 senior film-side roles.<sup>35</sup> Around the same time, during the pendency of the Paramount-Skydance merger in 2025, then-Skydance CEO David Ellison committed to investors that the merged Paramount Skydance would extract at least \$2 billion in annualized cost savings, primarily through workforce reductions.<sup>36</sup> Beginning the week of October 27, 2025, the company laid off approximately 2,000 employees - roughly 10 percent of the combined workforce.<sup>37</sup> An additional 600 employees took buyouts rather than comply with a five-day return-to-office mandate, costing the company \$185 million in severance and prompting Paramount to identify another \$1 billion in savings on top of the original \$2 billion target.<sup>38</sup>

Now, Paramount projects approximately \$6 billion in “synergies”<sup>39</sup>: Ellison is promising three times as much as he committed to in 2025. In film and television, synergies of this scale are achieved through three mechanisms: layoffs, production cuts, and reduced licensing commitments to independents. And worryingly, he has expressed a desire to rush those synergies, promising in an internal briefing that the combined entity will find \$2.5 billion in run-rate efficiencies by the end of 2026, and deliver “at least” \$3 billion in efficiencies through 2027.<sup>40</sup> Should this plan come to pass, the combined entity would likely front load its layoffs, slashing jobs essentially immediately. The CMA should expect the UK creative workforce to absorb a proportionate share of the combined entity's restructuring, and should reject any

<sup>32</sup> Consider, for instance, two examples of the human cost in Georgia: camera operator Carrie Dufresne, who fielded two to five job calls a day in 2022, has lived off savings, tax refunds, and a \$1,500 emergency grant from the Entertainment Community Fund, while digital imaging technician Chris Ratledge, who once earned \$72 an hour on Netflix's *Red Notice*, has worked just four days on set since May 2024 and now earns \$15 an hour at a tennis center. There is no reason to suspect such stories will not occur across the United Kingdom.

<https://www.ajc.com/news/business/how-the-slowdown-in-tv-and-film-production-hurts-georgia-workers/RI.RBWUDNTNFRDFHTK5Y2CLDLNoQL/>; <https://www.usnews.com/news/business/articles/2026-03-12/is-atlanta-still-the-hollywood-of-the-south-a-film-boomtown-faces-a-test>.

<sup>33</sup> <https://www.aeaweb.org/articles?id=10.1257/aer.20190690>.

<sup>34</sup> <https://thedepauw.com/warner-bros-discovery-losses-and-controversies/>.

<sup>35</sup> <https://employeesfirstlaborlaw.com/warner-bros-discovery-lays-off-10-of-film-group-what-workers-need-to-know/>.

<sup>36</sup> <https://variety.com/2025/tv/news/paramount-skydance-mass-layoffs-date-oct-27-1236556102>.

<sup>37</sup> <https://www.nbcnews.com/business/media/paramount-skydance-layoffs-rcna240067>.

<sup>38</sup> <https://fortune.com/2025/11/11/paramount-skydance-return-to-office-ultimatum-cost-185-million-dollars/>.

<sup>39</sup>

<https://www.paramount.com/press/paramount-to-acquire-warner-bros-discovery-to-form-next-generation-global-media-and-entertainment-company>.

<sup>40</sup> <https://ir.paramount.com/static-files/c892f681-51f0-4107-ba09-d4335f2c3257>

claim by the merging parties that lower labour costs constitute a merger-specific efficiency. This could take the form of mass lay-offs on the WBD side: WBD is a major employer in the UK and operates at least four major sites in the UK.<sup>41</sup> The CMA's substantial lessening of competition test does not allow welfare gains in one market to offset losses in another, and the economic theory of monopsony predicts that buyer-side wage suppression leads to reduced output and higher consumer prices, not the reverse.<sup>42</sup>

Finally, the CMA has repeatedly emphasised the importance of promoting investment, innovation and economic growth in the UK economy.<sup>43</sup> Against that backdrop, it would be difficult to justify clearing a merger that is likely to result in substantial layoffs and a deterioration in labour-market conditions (as well as reduced commissioning activity and investment in UK film and television production) within one of the UK's strategically important creative industries.

d. Concentration of non-substitutable archival inputs for UK documentary and journalistic production

The merger would also give rise to horizontal unilateral effects in a potential market for the licensing of broadcast news archive footage to UK documentary and journalistic producers. The CNN Collection - controlled by WBD - holds over four million assets spanning more than 45 years of global news, elections, and political events.<sup>44</sup> The CBS News archive - controlled by Paramount - represents a comparable body of American broadcast history. These two collections are among only four principal archives of their kind globally, alongside NBC and ABC, and they have never previously been held under common ownership. Neither archive functions as a passive repository: both operate as actively controlled licensing systems in which access requires editorial disclosure, legal review, and approval by the rights holder. UK documentary makers, investigative journalists, and news producers rely on both archives as non-substitutable inputs for historical and current-affairs work; for much of this material there is simply no alternative source. Pre-merger, a UK producer refused access or offered prohibitive terms by one archive could approach the other. Post-merger, that competitive dynamic is eliminated entirely. The combined entity would hold a buyer's monopoly over two of the most significant privately held broadcast news collections in the world, with both the ability and - given its commercial incentives and the reported political commitments made by its controlling persons - a plausible incentive to restrict access, raise licensing prices above competitive levels, or impose editorial conditions on the use of footage. This constitutes a straightforward horizontal unilateral effect in an upstream input market on which a significant segment of UK independent journalism and documentary production structurally depends.

e. Concentration of streaming platforms

The proposed transaction would also reduce the number of streaming platforms actively competing to acquire and commission UK content. HBO Max (WBD) and Paramount+ currently operate as distinct platforms, each representing a competing potential buyer for commissions and acquisitions. On March 2,

<sup>41</sup> Warner Bros. Studios Leavesden, Warner Bros. De Lane Lea (post-production), Warner Bros Discovery Sports EMEA (Building 2, 566 Chiswick High Road, W4 5YB), Warner Home Video UK (160 Old St, EC1V 9BP).

<sup>42</sup> [https://jvrcoستا.github.io/files/vitor\\_costa\\_ma\\_antitrust\\_rev.pdf](https://jvrcoستا.github.io/files/vitor_costa_ma_antitrust_rev.pdf).

<sup>43</sup> <https://www.gov.uk/government/speeches/promoting-competition-and-protecting-consumers-to-drive-growth-and-improve-household-prosperity>.

<sup>44</sup> <https://blockthemerger.com/statements/ffc-senate-hearing-feb3-2026.pdf>.

2026, Paramount CEO David Ellison confirmed on the company's investor call that Paramount+ and HBO Max will combine into a single streaming offering of roughly 200 million global subscribers.<sup>45</sup>

Consolidation has already led to a period of aggressive so-called streamflation, with the average UK household now spending approximately £68 to £72 per month on digital subscriptions.<sup>46</sup> Major providers have transitioned to multi-tiered pricing models that effectively gatekeep high-definition and ad-free content, forcing consumers to pay significantly more to maintain the same viewing experience they had in 2021.<sup>47</sup> The loss of even one meaningful commissioning and competing platform will have a material effect on the UK's already concentrated market. As set out above, Paramount and HBO Max's current market shares are unlikely to be instructive in this regard, given HBO Max's recent entry.

#### f. Concentration of premium sports broadcasting rights

The combined Paramount-WBD would consolidate a high share of the UK's premium live sports market under a single owner. Through TNT Sports,<sup>48</sup> WBD currently broadcasts 52 exclusive English Premier League matches per season through the 2028/29 season, alongside the UEFA Champions League, Europa League, Conference League, Premiership Rugby (men's and women's), MotoGP, NBA, UFC, and boxing,<sup>49</sup> with every FA Cup match from the third round onward locked up through 2028/29.<sup>50</sup> In February 2025, WBD folded the Eurosport channels into TNT Sports in the UK and Ireland, bringing Australian Open and Roland-Garros tennis, Grand Tour cycling, the UCI Mountain Bike World Series, every major winter sports World Championship and World Cup event, British and World Superbikes, snooker, and the Olympic Games from 2026 through 2032 onto a single platform.<sup>51</sup> Paramount, meanwhile, just won the UK Champions League rights for 2027/28 through 2030/31 in a deal SportsPro values at £2.2 billion (combined with its German rights), displacing TNT and committing to air every match except Amazon's single Tuesday first-pick.<sup>52</sup> Paramount also owns the free-to-air broadcaster Channel 5 and the FAST platform Pluto TV, with Channel 5 already carrying a raft of live NFL games as well.<sup>53</sup> If the merger closes, one company would simultaneously control the post-2027 Champions League, the bulk of TNT's exclusive Premier League and FA Cup inventory, two of the four tennis Grand Slams, all three cycling Grand Tours, Olympic broadcasting through 2032, Premiership Rugby, MotoGP, UFC, and Channel 5's free-to-air output – a concentration that would arguably leave Sky as the only comparable counterweight in the British sports broadcasting market.

#### B. Vertical effects of the Merger

Vertical effects arise where the transaction leads to the concentration of activities at different levels of the supply chain. Such mergers may give rise to vertical foreclosure concerns. These may arise through input foreclosure, where one merging party supplies an important input to rivals of the other party and,

<sup>45</sup> <https://www.nbcnews.com/business/media/paramount-skydance-plans-merge-paramount-hbo-max-platforms-rcna261287>.

<sup>46</sup> <https://www.csimagazine.com/csi/UK-viewers-grow-more-open-to-ads.php>.

<sup>47</sup> <https://finance.yahoo.com/markets/stocks/articles/2026-vs-2021-dramatic-rise-040100814.html?guccounter=1>.

<sup>48</sup> WBD is in "advanced talks" to buy out BT's 50% stake in TNT Sports.

<sup>49</sup> <https://www.reuters.com/business/media-telecom/bt-nears-deal-sell-tnt-sports-stake-warner-bros-discovery-ft-reports-2025-05-17/>.

<sup>50</sup> [https://www.tntsports.co.uk/football/premier-league/2023-2024/tnt-sports-extends-uk-premier-league-rights-until-2029\\_sto9909497/story.shtml](https://www.tntsports.co.uk/football/premier-league/2023-2024/tnt-sports-extends-uk-premier-league-rights-until-2029_sto9909497/story.shtml).

<sup>51</sup> <https://sportcal.com/?p=105729>.

<sup>52</sup> [https://www.broadcastnow.co.uk/broadcasting/tnt-sports-to-replace-eurosport-in-uk-and-ireland/5201168\\_article](https://www.broadcastnow.co.uk/broadcasting/tnt-sports-to-replace-eurosport-in-uk-and-ireland/5201168_article).

<sup>53</sup> <https://deadline.com/2025/11/paramount-wins-champions-league-rights-uk-germany-1bn-tnt-1236625107/> ;

<https://www.sportspro.com/news/broadcast-ott/paramount-champions-league-amazon-europe-netflix-november-2025/>.

<sup>53</sup> <https://deadline.com/2025/11/paramount-wins-champions-league-rights-uk-germany-1bn-tnt-1236625107/>.

following the merger, the combined entity has the ability and incentive to restrict access to that input or worsen the terms on which it is supplied, thereby weakening competition in the downstream market. Alternatively, vertical effects may arise through customer foreclosure, where one merging party purchases goods or services from rivals of the other party and, following the merger, the combined entity limits rivals' access to an important customer or source of demand, thereby weakening competition in the upstream market.

This transaction will cause vertical effects concerns as it will lead to the merging of WBD and Paramount's activities on the upstream (production) with the downstream (SVOD and TVOD streaming). This raises concerns in respect of both input and customer foreclosure.

In respect of input foreclosure, UK independent and art-house cinemas, which depend on WBD catalogue titles for repertory programming, face the risk that these catalogues will be increasingly directed toward exclusive streaming use, or with shorter theatrical windows, limiting their ability to programme films and generate revenue.<sup>54</sup>

In respect of customer foreclosure, DDF is concerned that output deals, the standing licensing arrangements that gave independent distributors the financial predictability needed to acquire films, have been progressively cancelled across the major US platforms since approximately 2018,<sup>55</sup> and the combined entity will have stronger incentives to monetize its own intellectual property internally rather than to license independent work.

In addition, the combined entity will control production studios, theatrical distribution, streaming platforms, and one of the world's largest film libraries, creating strong incentives to favor internally produced content over content acquired from independent UK producers. This may not be through explicit exclusion but through ordinary allocation decisions that, cumulatively, constitute effective foreclosure.

### C. Coordinated effects

The CMA's Guidelines recognise that a merger may lead to coordinated effects where it enables firms to act on a common understanding to limit their rivalry, or strengthens such coordination.<sup>56</sup>

The merger raises a serious risk of coordinated effects in the UK film distribution and exhibition market. The merger would significantly simplify the competitive structure of the market by reducing the number of major US studios and increasing symmetry between the remaining players. Post-merger, Disney, Universal and the merged entity would each hold broadly comparable market positions, share similar vertically integrated business models, and operate their own streaming services, making strategic alignment easier. Joint distribution arrangements,<sup>57</sup> common distributors in Europe, and participation in

<sup>54</sup> <https://cinemaunited.org/2026/02/27/cinema-united-re-affirms-concerns-around-consolidation/>;  
<https://blockthemerger.com/statements/ffc-senate-hearing-feb3-2026.pdf>

<sup>55</sup> <https://www.indiewire.com/features/general/amazon-studios-netflix-distribution-future-sundance-1201924251/>.

<sup>56</sup> [https://assets.publishing.service.gov.uk/media/61f952dd8fa8f5388690df76/MAGs\\_for\\_publication\\_2021\\_--\\_.pdf](https://assets.publishing.service.gov.uk/media/61f952dd8fa8f5388690df76/MAGs_for_publication_2021_--_.pdf).

<sup>57</sup> For example, through UIP, a joint venture between Paramount and Universal.

the Motion Picture Association in Europe are as additional factors facilitating coordination. There is already some evidence of existing coordination, for example:

- the September 2021 decision of the Spanish Competition Authority concluded an investigation into the film distribution sector and found that major distributors had engaged in practices facilitating the alignment of commercial strategies, including through the systematic exchange of information on release plans and theatrical windows;<sup>58</sup> and
- in early 2026, Paramount's CEO publicly signalled an intention to adopt a 45-day theatrical window to TVOD/PVOD<sup>59</sup>, shortly followed by Universal Pictures announcing an identical 45-day window on 12 March 2026<sup>60</sup> - a sequence that illustrates the market's susceptibility to signalling and rapid alignment on key commercial parameters without any explicit agreement.

One example of how this coordination may materialize is release schedules: major studios already avoid releasing blockbuster films against each other, thereby reducing direct competition and increasing bargaining power over cinemas (and ultimately leading to higher prices for consumers). There may be other focal points for coordination, including standardization of theatrical windows, stable or increasing rental fees for independent cinema, lower wages for specialized labour, reduction/stabilization of production, acquisition or distribution of independent content, or degradation of the terms offered to independent UK film and TV producers.

#### D. Cumulative Consolidation

The CMA's Guidelines require the CMA to analyse the merger in the prevailing conditions.<sup>61</sup> The CMA's analysis should situate this transaction within its broader context of cumulative consolidation. Prior mergers have progressively reduced buyer competition in the independent and documentary film licensing market.<sup>62</sup> Historical specialty divisions that once provided meaningful acquisition competition—for instance, Fox 2000, Fox Searchlight, Fine Line Features, Warner Independent Pictures, Paramount Classics, Paramount Vantage and Picturehouse – each closed or absorbed following successive rounds of consolidation and have not been restored.

The proposed combination arrives at a point where the entire film and television industry is in crisis. The buyer pool has already been reduced to its functional minimum; the economic architecture that previously cushioned buyer contraction has been dismantled. Distribution infrastructure, once dismantled, does not reconstitute. Regulatory analysis that considers only the marginal harm from this specific transaction, without accounting for accumulated prior harm, will systematically underestimate the severity of the competitive threat. The Documentary Film Council, Future Film Coalition, and International

<sup>58</sup> <https://www.cnmc.es/expedientes/s000119>.

<sup>59</sup>

<https://www.screendaily.com/news/paramounts-david-ellison-commits-to-minimum-45-day-theatrical-window-in-letter-to-uk-creatives/5213433.article>.

<sup>60</sup> <https://deadline.com/2026/03/universal-theatrical-windows-1236751276/>.

<sup>61</sup> [https://assets.publishing.service.gov.uk/media/61f952dd8fa8f5388690df76/MAGs\\_for\\_publication\\_2021\\_-\\_pdf](https://assets.publishing.service.gov.uk/media/61f952dd8fa8f5388690df76/MAGs_for_publication_2021_-_pdf)

<sup>62</sup> <https://blockthemerger.com/statements/ffc-senate-hearing-feb3-2026.pdf>.

Documentary Association made this point directly in their joint submission to the CMA of April 27, 2026, and we associate DDF with the substance of that submission.<sup>63</sup>

#### E. Public interest

These harms are not exclusively economic. The transaction would concentrate editorial control over a substantial share of the news, documentary, and historical material that shapes the British public's access to information and ideas.

The Secretary of State for Culture, Media and Sport holds statutory power to intervene in this transaction on media public interest grounds under section 42 of the Enterprise Act 2002. The threshold for intervention is deliberately low: the Secretary of State need only believe that one or more of the considerations specified in section 58 may be relevant to the merger.<sup>64</sup> The following specified considerations are relevant to the merger:

- **Section 58(2A): The need for accurate presentation of news and freedom of expression in news media.** This consideration is not limited to assessing the merged entity's own broadcasting or news output. It encompasses the broader conditions under which news media can operate accurately and freely. Consolidated editorial gatekeeping over the CNN and CBS archives - the two largest privately held broadcast news collections in the world, now under common ownership for the first time - directly affects the ability of *third-party* UK news and documentary producers to present news-related material accurately and express opinion freely. If access to this footage is restricted, priced prohibitively, or made subject to editorial approval by a single commercially interested owner, the raw material on which independent UK journalism depends becomes controlled by a party with an obvious commercial and, on the evidence of the Ellison/Trump reporting, potentially political interest in what is and is not accessible.<sup>65</sup>
- In this respect, as above, DDF notes the CNN Collection, for instance, holds over four million assets, including broadcast footage spanning more than 45 years of global news, elections, and political events.<sup>66</sup> The CBS News archive, controlled by Paramount, represents a comparable body of American broadcast history. These collections are two of the four principal archives of their kind globally, alongside NBC and ABC, and they have never before come under common ownership. Neither archive operates as a passive repository; rather, both function as actively controlled licensing systems in which access requires editorial disclosure, legal review, and approval. UK documentary, news, and other media producers rely on both archives for historical, news, and current-affairs work; there is no substitute for much of this material. Consolidated ownership creates a structural risk that the combined entity will restrict access, raise pricing above competitive levels, or exercise editorial gatekeeping over how and what historical footage can be used or even accessed. This consolidation would place uniquely valuable inputs to UK historical and journalistic production under the editorial discretion of a single firm.

<sup>63</sup> <https://www.gov.uk/cma-cases/paramount-slash-warner-bros-discovery-merger-inquiry>.

<sup>64</sup> Section 42(2) Enterprise Act 2002.

<sup>65</sup> <https://www.wsj.com/business/media/paramount-netflix-warner-bros-battle-ellisons-a86fe15c>.

<sup>66</sup> <https://blockthemerger.com/statements/ffc-senate-hearing-feb3-2026.pdf>.

- Section 58(2B): The need that there be, to the extent reasonable and practicable, a sufficient plurality of views in news media serving UK audiences.** Both parties constitute "news media" enterprises, because each broadcasts news programmes to UK audiences - Channel 5 News in Paramount's case, and CNN-branded services in WBD's case. UK audiences and UK journalism turn to CNN as a significant source of international news coverage. An Office of Communications ("Ofcom") study found that UK viewers scored CNN above all TV news sources in quality (82%), accuracy (78%), trustworthiness (78%), and impartiality (71%).<sup>67</sup> Paramount CEO David Ellison reportedly told President Trump that he would make "sweeping changes" to CNN if he succeeded in acquiring WBD.<sup>68</sup> Bringing CNN and Channel 5 News under common editorial ownership creates a material risk that the plurality of views available to UK news audiences will be reduced rather than maintained.
- Section 58(2C)(a): The need for there to be a sufficient plurality of persons with control over "media enterprises" (which includes broadcasters).** This consideration is squarely engaged. On the basis of Ofcom's published licence register, the combined entity would hold 64 out of 547 Television Licensable Content Service licences (12%) and 16 out of 134 Digital Terrestrial Programme Service licences (11%).<sup>69</sup> While licence count is not the same as audience share, it provides a useful proxy to demonstrate the importance of the transaction.
- Section 58(2C)(b): the need for the availability of a wide range of broadcasting content which is high quality and designed to appeal to a wide variety of tastes.** Media consolidation comes with a documented pattern of increased content suppression.<sup>70</sup> This is already a significant issue: films touching commercially or institutionally sensitive subjects - Taiwan's political status, labour organising at major US employers, the Israeli-Palestinian conflict - have failed to secure distribution despite international acclaim and audience demand. *No Other Land* won the Academy Award for Best Documentary Feature and 45 other prizes and could not find a US distributor.<sup>71</sup> *Union*, a documentary about a grassroots efforts to unionize an Amazon location and a Sundance prize winner shortlisted for the Academy Award, was self-distributed after major streamers declined to acquire it.<sup>72</sup>  *Holding Liat*, shortlisted for the 2026 Academy Awards, secured international distribution including on BBC's *Storyville* but could find no US commercial distributor after approaches to more than 30 platforms.<sup>73</sup> UK audiences encountered these films primarily through international and independent channels; the merger of two of the remaining major US distributors will further constrain the universe of work that reaches British screens through commercial routes by reducing competitive pressure between them. Further, following

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<sup>67</sup>

<https://www.ofcom.org.uk/siteassets/resources/documents/research-and-data/tv-radio-and-on-demand-research/tv-research/news/news-consumption-2018/news-consumption-2018.pdf?v=323366>.

<sup>68</sup> <https://www.wsj.com/business/media/paramount-netflix-warner-bros-battle-ellisons-a86fe15c>.

<sup>69</sup> <https://www.ofcom.org.uk/tv-radio-and-on-demand/digital-tv/current-licensees>. Figures based on internal analysis and should be independently verified.

<sup>70</sup> <https://documentary.org/advocacy/ida-statement-opposing-merger-involving-warner-bros-discovery>;

<https://blockthemerger.com/statements/ffc-senate-hearing-feb3-2026.pdf>.

<sup>71</sup> <https://www.documentary.org/online-feature/no-other-distribution-how-film-industry-economics-and-politics-are-suppressing-docs>;

<https://www.indiewire.com/features/interviews/no-other-land-filmmakers-basel-adra-yuval-abraham-1235063416/>.

<sup>72</sup> <https://sherwoodnews.com/business/amazon-union-documentary-self-funded-theatrical-run/>.

<sup>73</sup> <https://www.documentary.org/online-feature/being-2-documentary-america-2026>.

*Disney / Fox*, there was a marked decline in original, independent titles – including by shutting down the independent studio Fox 2000.<sup>74</sup> These examples point to a reduced diversity of broadcasting content as a result of the merger.

- **Section 58(2C)(c): The need for the persons in control of enterprises to have genuine commitment to the attainment in relation to broadcasting of the standards objectives.** The broadcasting standards consideration is particularly acute given Paramount CEO David Ellison reportedly told President Trump that he would make "sweeping changes" to CNN if he succeeded in acquiring WBD.<sup>75</sup> This representation, as well as the numerous<sup>76</sup> comments<sup>77</sup> supporting the Ellison family takeover<sup>78</sup> from members of the Trump Administration, underscores the editorial stakes for UK audiences who rely on these outlets as a primary source of international news and go directly to whether the combined entity's controlling persons have the genuine commitment to impartiality, accuracy and standards that section 319 and the section 58(2C)(c) consideration require.

In respect of the section 58(2C) considerations more broadly, it is notable that Channel 5, which Paramount owns, is one of the United Kingdom's five public service broadcasters ("PSBs"), holding a licence granted and regulated by Ofcom under the Broadcasting Act 1990 and the Communications Act 2003. PSB status carries significant statutory obligations - including requirements to produce original UK content, provide news programming, and serve diverse audiences - as well as significant privileges, most notably guaranteed and prominent placement on electronic programme guides under section 310 of the Communications Act 2003, which is among the most commercially valuable regulatory entitlements in the UK broadcasting market. Channel 5 News, delivered under contract by ITN, serves as a primary source of free-to-air evening news for a significant segment of the UK viewing public, including those who do not subscribe to pay-TV services and who rely disproportionately on free-to-air PSB output for news and current affairs. Any merger between a PSB and another news channel requires careful consideration - especially where the channel being acquired holds an essential position for a certain type of news which a certain class of viewer relies on.

Section 57 imposes a duty on the CMA, where it is investigating a merger and becomes aware that a public interest consideration is or may be relevant, to bring this to the attention of the Secretary of State. Specifically, the CMA must give notice to the Secretary of State if it believes a public interest consideration mentioned in section 58 is or may be relevant to a consideration of the merger situation. If the CMA has not done so, DFF requests the CMA to do so immediately.

## V. Conclusion

The Paramount-WBD merger threatens to inflict deep, structural harm on the United Kingdom's economy and its cultural heritage. By concentrating market power, the deal eliminates competition for creative

<sup>74</sup> <https://variety.com/2019/film/news/disney-retiring-fox-2000-label-1203169597/>.

<sup>75</sup> <https://www.wsj.com/business/media/paramount-netflix-warner-bros-battle-ellisons-a86fe15c>.

<sup>76</sup> <https://www.yahoo.com/news/articles/trump-boasts-owners-cbs-friends-151322906.html>.

<sup>77</sup> <https://thehill.com/homenews/media/5805710-brendan-carr-fcc-donald-trump-media-feud-cpac/>.

<sup>78</sup> <https://www.yahoo.com/entertainment/tv/articles/pete-hegseth-says-sooner-david-132333158.html> ; [https://rollcall.com/factbase-twitter/?q=tiktok+ellison&platform=all&sort=date&sort\\_order=desc&page=1](https://rollcall.com/factbase-twitter/?q=tiktok+ellison&platform=all&sort=date&sort_order=desc&page=1).

rights, suppresses wages for the creative workforce, and reduces the number of projects that reach the screen. The \$6 billion synergy target necessitates a level of cost-cutting that could gut the UK's production ecosystem and leave its freelance workforce even more precarious.

Culturally, the merger accelerates a trend toward homogenization and risk aversion. The combined entity's control over news networks and archival libraries grants it unprecedented power to shape public discourse and restrict the diversity of narratives available to UK audiences. While the merging parties pursue global scale, the United Kingdom risks losing the distinctive voices and independent studios that make its film and television industry a crown jewel of its creative economy.

The CMA inquiry serves as the primary safeguard against these outcomes. Protecting the UK media landscape requires rigorous scrutiny that accounts for the unique challenges of the creative labor market and the essential value of media plurality. Without significant regulatory intervention, this merger will likely result in a media environment that is more expensive, less diverse, and more controlled by a few dominant global players.

## **VI. Request**

We therefore respectfully urge the CMA to:

- Refer the transaction for an in-depth Phase II investigation with a view to prohibition or securing suitable, structural remedies.
- Reject behavioural remedies as inadequate to address the structural harms documented in this submission. Behavioural commitments imposed on previous major media mergers have consistently proven difficult to monitor and enforce in practice. Only prohibition of the transaction, or structural divestiture sufficient to preserve independent buyer competition in each of the affected markets, will provide durable protection for UK competition, UK consumers, and the UK creative economy.
- Examine the following competition concerns:
  - the reduction in the number of major commissioning and acquisition platforms available to UK independent film and television producers, including the effect of merging HBO Max and Paramount+ into a single streaming offering and the consequent loss of a competing buyer in the pay-one streaming licence window;
  - the concentration of buyer power in the market for sports broadcasting rights, and the impact on consumers of combining the post-2027 Champions League rights, the TNT Sports Premier League and FA Cup inventory, Olympic broadcasting through 2032, and Channel 5's free-to-air sports output under a single owner;
  - labour-market concentration as a cognizable head of harm, drawing on the empirical record assembled in the peer-reviewed literature cited in this submission, and reject any claim by the merging parties that lower labour costs constitute a merger-specific efficiency;
  - the competition implications of consolidated control over the CNN and CBS News archives as non-substitutable inputs for UK documentary and journalistic production,

- o including whether the combined entity would have the ability and incentive to restrict access, raise prices above competitive levels, or impose editorial conditions on licensing;
- o the vertical foreclosure risks arising from the combined entity's simultaneous control of production studios, theatrical distribution, streaming platforms, and one of the world's largest film libraries, with particular attention to the impact on UK independent cinemas' access to the WBD's catalogue and the incentive to redirect catalogue content toward exclusive internal streaming use;
- o the risk of coordinated effects in the UK film distribution and exhibition market arising from the reduction in the number of major US studios and the increased structural symmetry between the remaining players, including with respect to release scheduling, theatrical window standardisation, and terms offered to independent producers and exhibitors;
- o the cumulative impact of successive rounds of consolidation on the independent and documentary film sector, and avoid an analytical approach that considers only the marginal harm of this transaction in isolation from the structural damage already inflicted on the buyer pool.
- Consult with relevant stakeholders, for example:
  - o UK independent filmmakers, documentary producers, distributors, and exhibitors as directly affected parties whose first-hand evidence is essential to an accurate assessment of the transaction's UK effects;
  - o The creative unions, including BECTU, the Writers' Guild of Great Britain, Equity, and the Directors UK, on the labour-market effects of the merger on the UK film and television workforce;
  - o Consumer advocates and representative bodies on the impact of streaming platform consolidation on subscription pricing and access to must-watch content, including live sports;
  - o UK independent cinema operators on the risks of catalogue foreclosure and shortened theatrical windows.
- Bring the merger to the attention of the Secretary of State for Culture, Media and Sport, as the CMA is required to do under section 44 of the Enterprise Act 2002 once it becomes aware that a public interest consideration specified in section 58 may be relevant to the merger (which it should be following this submission). The media public interest considerations in sections 58(2A), 58(2B), 58(2C)(a), 58(2C)(b) and 58(2C)(c) are each engaged on the facts of this transaction, as set out in Section E above. If the CMA has not already done so, DDF requests that it act immediately.

We would welcome the opportunity to provide further legal analysis, evidence or attend a hearing or meeting at the CMA's request.

Respectfully submitted,

Democracy Defenders Fund

