August 12, 2026

The Honorable Rob Bonta
Attorney General of California
California Department of Justice
1300 I Street
Sacramento, CA 95814

Mr. David Ellison
Chairman and Chief Executive Officer
Paramount Skydance Corporation
5555 Melrose Avenue, Skydance Suite 100
Los Angeles, CA 90038

Dear Attorney General Bonta and Mr. Ellison:

On behalf of the Directors Guild of America (DGA) and the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada (I.A.T.S.E.), we write to raise concerns about the potential for a prolonged timetable for the litigation related to the proposed merger of Paramount Skydance Corporation ("Paramount") and Warner Bros. Discovery, Inc. ("WBD") and express to you the importance that you engage directly with each other to negotiate a resolution that ameliorates the anti-competitive aspects of the proposed merger.

Should such an agreement prove impossible, we would ask that both parties seek to move the start of the trial to an earlier date, as continued delay and uncertainty around the future of WBD only harms our members.

Collectively we represent nearly 200,000 industry workers that comprise the directorial, technical, and artistic teams that power the American film and television industry. We are two of the industry's principal unions – with the I.A.T.S.E. being the largest – and our collective members are concerned about their futures, and the future of our industry.

While we have been consistent in our view that mergers, such as this one, historically offer few benefits to workers, we are also particularly concerned about the negative impact a delay in the decision regarding the proposed merger will have on our members and the industry at large. We further believe the benefits and detriments of the proposed merger should be measured against the alternative outcomes if it is not approved, especially if the anti-competitive impacts of the proposed merger can be mitigated by a binding agreement.

We cannot overemphasize how damaging the current timeline for the trial – which would extend the uncertainty surrounding the proposed merger until the spring of next year at the earliest – is to an already struggling industry. As you know, film and television production is down 35% to 40% worldwide, and even more in California. Additionally, there has been an increase in the share of that remaining production that now takes place outside the United States. As our members struggle to find employment, the uncertainty surrounding the proposed merger is only making matters worse. We are aware of productions that have been put on hold or canceled altogether, leading to further reductions in available work for our members and other industry workers.

We remain steadfast in our belief that competition breeds innovation, opportunity, and choice while providing checks against price distortions, market abuses and gatekeeping. While we continue to have significant concerns about the proposed merger, we believe many of these concerns can be addressed through the imposition of enforceable conditions in a binding agreement.

These conditions include:

- The maintenance of Paramount and WBD motion picture studios as separate studios, with each studio maintaining its own production, distribution, marketing and exhibition groups as distinct divisions;
- The production and distribution by each motion picture studio of a minimum of 15 theatrical films per year with an exclusive theatrical window of at least 45 days (preferably 60 days or more) before PVOD exploitation and 120 days before SVOD exhibition;
- An agreement that Paramount and WBD will continue to license theatrical films from third parties at no less than the average percentage of films licensed from third parties over the past five years (excluding 2020 and 2023);
- The same separate operational structure for Paramount and WBD's television studios as applied to the motion picture studios;
- The maintenance of HBO as a linear pay television channel that will continue to be available on third party platforms (e.g., MVPDs and Amazon video);
- A commitment to produce films and television shows in the United States at no less than the average percentage produced in the United States during the past five years (excluding 2020 and 2023);
- A commitment to license original content on the combined entity's linear channels and streaming platforms from third parties at no less than the average percentage of licensed original content during the past five years (excluding 2020 and 2023);
- A commitment that Paramount and WBD will continue to be sellers in the marketplace; and,
- A commitment that Paramount will continue to be based in Los Angeles.

Our goal, with respect to the proposed merger, has always been to achieve an outcome that ensures a vibrant, competitive marketplace for the production, distribution, and licensing of film and television programming that serves the interests of consumers and filmmakers alike. We believe that these conditions, if secured through a binding agreement, will largely serve this purpose.

With this in mind, we reiterate that our members and the greater film and television industry would benefit from a faster resolution to this situation. That is why we are asking you both to attempt to reach an agreement that addresses what we view as the anticompetitive aspects of the merger.

If that is not possible, we ask that you seek to move the start of the trial to an earlier date.

Sincerely,

Russell Hollander
National Executive Director
Directors Guild of America

Matthew D. Loeb
International President
International Alliance of Theatrical Stage Employees