

Congress of the United States

Washington, DC 20510

February 5, 2026

Mr. Ted Sarandos and Mr. Greg Peters
Netflix Inc.
100 Winchester Circle
Los Gatos, California 95032

Mr. David Ellison
Paramount Skydance Corporation
1515 Broadway
New York, New York 10036

Dear Mr. Sarandos, Mr. Peters, and Mr. Ellison:

As Members of Congress representing Hollywood and the greater Los Angeles region, the heart of America's film and television industry, we are writing regarding your respective bids for Warner Bros. Discovery (WBD). The outcome of this acquisition will help shape the future direction of one of America's signature industries, which supports more than 680,000 jobs and contributes over \$115 billion annually to the regional economy, delivering America's greatest cultural export to audiences around the world.¹

California's film industry has already endured enormous disruption as production has increasingly left the state in addition to its continued recovery from production slowdowns post-COVID. On-location production in the greater Los Angeles area declined 13.2% from July through September 2025 compared to the same period last year.² This reduction builds on the loss of more than 42,000 jobs in Los Angeles County's motion picture industry from 2022-2024. It has had a devastating effect on the workers and their families who form the backbone of Hollywood's creative economy.³ Simultaneously, we've continued to watch as these jobs, and many companies, have left the United States altogether for foreign venues abroad.

You have each spoken publicly about your visions for supporting jobs and bringing production back to Hollywood and California. Mr. Ellison, CEO of Paramount Skydance Corporation, has stated, "We believe that what we are offering is better for Hollywood. It's better for the customers and it's pro-competitive." Mr. Sarandos, co-CEO of Netflix, has stated, "We think it's great for consumers. We think it's a great way to create and protect jobs in the entertainment industry."

While we appreciate these statements, we must see concrete commitments to Californian and American workers. Furthermore, given the importance of the outcome of a WBD acquisition, said concrete commitments should be accompanied by measurable actions so that California and Hollywood continue to serve as the global center of storytelling, innovation, and creative employment. Both companies' proposed cuts following an acquisition are extremely concerning: Paramount is projecting to cut \$6 billion in expenses over three years and Netflix is projecting to cut \$2 - \$3 billion. Specifically, analysts predict that many of these savings will be accomplished through significant job loss.⁴ Therefore, we expect and look forward to your companies' public

¹ <https://www.nytimes.com/2024/12/26/business/economy/hollywood-southern-california-economy.html>

² <https://deadline.com/2025/10/los-angeles-film-tv-production-q3-2025-1236584450/>

³ <https://nofilmschool.com/entertainment-industry-crisis>

⁴ <https://www.latimes.com/entertainment-arts/business/story/2025-12-10/netflix-paramount-warner-bros-deal-layoffs-what-to-know>

commitments to protecting, growing, and reassuring the hundreds of thousands of industry workers and their families in your respective bids.

Congress is working on bipartisan legislation to establish a federal film tax incentive, modeled after successful state programs in California, Louisiana, Georgia, and many others, so that the United States can remain competitive in the global market. We view this as a tool to not just protect but encourage more domestic filming and sustainable job creation on American soil.

In order to conduct appropriate oversight of the impending acquisition of WBD, we ask that you each provide written responses by February 15, 2026 to the following questions based on previous public statements you have both made:

1. How will your company ensure that Hollywood and California remain central to your production and investment strategy?
2. What concrete steps will you take to preserve and expand good-paying film and television jobs in Los Angeles?
3. How do you plan to deliver on your commitments to promote competition and opportunity for consumers while maintaining competitive pricing without sacrificing quality content?
4. Will you commit to working in good faith to bargain with unions representing the thousands of entertainment employees, and to growing that workforce?
5. How will you work to ensure that you are centering your use of AI in a way that does not displace workers?
6. How will you balance the rights and livelihoods of creators and rights holders with increased use of AI?
7. How would a federal film tax incentive assist your company in both maintaining current domestic production and bringing production that shifted abroad back to the United States?
8. What commitments to safeguards can you make under the current tax system to end the ongoing offshoring of production and return production to the United States?

We would welcome an additional opportunity to meet with you in California or Washington, D.C. to further discuss these questions; your responses; and your broader vision for the entertainment industry and its extraordinary workforce. We are committed to working with this industry, as we all share the values of protecting Hollywood, strengthening its workforce, and ensuring that America continues to lead the world in the creative economy.

Sincerely,



Laura Friedman
Member of Congress



Adam B. Schiff
United States Senator