Responses of Mr. Bruce Campbell, Chief Revenue and Strategy Officer, Warner Bros. Discovery, to Questions for the Record, Hearing of the Subcommittee on Antitrust, Competition Policy, and Consumer Rights, Committee on the Judiciary, United States Senate

February 25, 2026

The Honorable Mike Lee

1. *Netflix and HBO are competitors in film and TV content, including awards competitions. For example, Netflix leads the nominations with 35 and followed by Warner Bros. at 31 Golden Globe nominations respectively in 2026.*

   a. *Why do you believe eliminating this head-to-head competition will not reduce incentives to produce high-quality content?*

   b. *If allowed to proceed, what effect will the merger have on future competition?*

Warner Bros. Discovery produces compelling and captivating content. We are exceedingly proud of the Golden Globe nominations that you referenced. In addition, just last month, our films received thirty Academy Award nominations, tying our own record for the most nominations set two decades ago. Respectfully, I disagree that the planned merger of Warner Bros. Discovery's streaming and studios business with Netflix will "eliminat[e] head-to-head competition." Data show that many subscribers of Netflix also subscribe to HBO Max because consumers view them differently. Additionally, as discussed in my testimony, because the merger is largely vertical, there are very limited horizontal competitive effects, and the merger is therefore unlikely to have a significant effect on competition or reduce incentives to produce high-quality content.

2. *Identify all full-length film and TV shows that Warner Brothers licenses to YouTube.*

As noted in my testimony, Warner Bros. Discovery provides a significant amount of content to YouTube, all of which is licensed to YouTube. Examples include our popular posting of full episodes from HBO's *Last Week Tonight* and numerous television programs and segments posted on various channels such as our channel for HGTV (www.youtube.com/@hgtv). Additionally, subscriptions to our HBO Max service, including full length movies, are available on YouTube.

3. *Netflix has raised prices for its standard plan more than ten times since 2011, increasing prices approximately 39 percent from 2011-2024 in inflation-adjusted terms.*

   a. *How do you reconcile claim that Netflix faces strong pricing constraints with this consistent history of price increases?*

   b. *Without HBO Max as a competitive constraint, why wouldn't we expect even more price increases for American consumers?*

I cannot speak to Netflix's pricing. Regarding HBO Max, data show that consumers consider HBO Max a premium add-on service that complements a core streaming service, such as Netflix, Amazon Prime Video, or YouTube. Mr. Sarandos testified that, after the merger, consumers who subscribe to both Netflix and HBO Max will receive a meaningful discount, which we believe is consistent with our experience in the marketplace.

c. What pricing pressure does YouTube exert on Warner Brothers?

YouTube exercises considerable influence in the marketplace, including on Warner Bros. Discovery. The average YouTube viewing time spent watching videos of thirty minutes or more rose from 65% to 73% between 2023 and 2024, indicating that YouTube users are increasingly seeking out longer form content on the platform. Among young adult mobile phone users, the trend is even more pronounced, with content of thirty minutes or more accounting for nearly 80% of YouTube viewing time. At the same time, viewers increasingly view YouTube on full-size televisions.[1] These trends directly affect the competitive marketplace for longer form content that is traditionally Warner Bros. Discovery's strength.

d. Identify all price decreases because of competition with YouTube.

Given YouTube's significant viewership, Warner Bros. Discovery frequently and increasingly considers YouTube in its competitive analyses. Although many factors inform our pricing decisions, my experience in the industry over recent years has demonstrated that competition from free and ad-supported content on YouTube certainly affects the pricing behavior of paid-content providers.

4. *Warner Bros. currently licenses portions of its content library to competing streaming platforms.*

   a. Is Warner Bros. prepared to commit that, following the merger, the combined company will continue licensing Warner Bros. content to rival distributors?

   b. Please explain how Warner Brothers will retain its independence if the merger is closed.

I defer to Mr. Sarandos regarding actions the combined company may take following the close of the merger. I am aware of Netflix's public statements regarding its intent to maintain Warner Bros.'s production of content for third parties, and its interest in continuing to license film and television content for distribution by other broadcast, cable, satellite, and streaming companies.

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[1] Neal Mohan, *From the YouTube CEO: Our Big Bets for 2025* (Feb. 11, 2025) ("TV has surpassed mobile and is now the primary device for YouTube viewing in the U.S."), https://blog.youtube/inside-youtube/our-big-bets-for-2025/.

5. How much does Warner Brothers spend on film and TV content production?

As detailed in the company's public reports, in 2024, we spent approximately $13.5 billion on content across the streaming and studios segments.[2]

[2] *See* Warner Bros. Discovery, Inc., Annual Report (Form 10-K) 43, 115 (Feb. 27, 2025) (discussing content expense calculations).

Honorable Cory A. Booker

1. *Movie theatres rely on robust production from the studios to make ends meet. Consumers want a diverse, vibrant array of offerings when they are planning a night at the movies with their families, and that requires studios to produce as many interesting films as possible to put on their screens. Unfortunately, evidence from previous deals shows that consolidation between studios has led to a significant decline in production. According to a statement for the record from cinema trade association Cinema United, "after the Disney-Fox merger, for example, the entities produced about half the movies they did annually pre-merger (even putting aside pandemic-impacted years)," from 26 for the two independent studios to just 14 in 2024.*

    a. *Every major studio merger we have seen in the last two decades has led to diminished production. Why should we expect a different outcome here?*

    b. *Do you expect the creative workforce to be smaller, large, or the same size twelve months after the transaction closes? What about "below the line" production workers?*

    c. *Do you believe movie theaters will suffer under a Netflix acquisition, assuming Netflix produces fewer theatrical films than Warner Bros. Discovery currently does?*

With respect to the Netflix merger, there are relatively few overlapping businesses. Netflix's film production capabilities are in their infancy in contrast to Warner Bros.'s century of experience in studio productions. In our view, Netflix's strengths will help Warner Bros.'s streaming and studios business continue to expand production and increase opportunities for writers, directors, and others in the industry. Warner Bros.'s history is steeped in theatrical releases, and we note that Netflix has publicly pledged to continue releasing Warner Bros. movies in theaters.

2. *Over the past year, Warner Bros. Discovery has repeatedly declared its supposed precarious financial position. However, based on available financial information, I am skeptical that your company meets the definition of a flailing firm, let alone a failing one. Indeed, 2025 was a banner year for Warner Bros. Discovery. You were the first studio to ever surpass $4 billion in total worldwide box office, set a record with seven consecutive films open with $40 million domestically, received more Academy Awards than any studio, saw major increases in your streaming subscriber numbers up to 128 million worldwide, paid down your debt, and still found a way to give your CEO David Zaslev—whose salary is already the highest in the industry—a 5% raise up to $51.9 million.*

    a. *How do you justify arguments that your studio is in financial jeopardy considering how successful Warner Bros. Discovery has been in recent years?*

We are both a very successful company and a company that is facing unprecedented threats and challenges in the rapidly evolving media and entertainment industry. Today, there is more competition for consumers' attention than ever before. In video content, for example, the options available to consumers include movie theaters, traditional cable and broadcast channels, a wide and ever-growing variety of established and new streaming services, including both subscription and ad-supported options, and social media and short-form content that also competes for viewers' attention.

3. *Last year the Department of Justice settled a lawsuit it brought to block a merger between Hewlett Packard Enterprise (HPE) and Juniper Networks. HPE allegedly retained White House-affiliated lobbyists without expertise in antitrust law to directly lobby the Attorney General and other political appointees, thereby circumventing the Department's antitrust enforcers. Skydance was able to acquire Paramount last year after Paramount entered into a $16 million settlement with President Trump related to the editing of a 60 Minutes interview with then-Vice President and presidential candidate Kamala Harris. Affinity Partners, the investment firm founded by President Trump's son-in-law, Jared Kushner, contributed $200 million to the initial offer.*

    a. *Is it appropriate for corporations with transactions pending under the merger approval process to retain lobbyists to seek approval from political appointees, rather than communicating exclusively through the Department's Antitrust Division?*

    b. *Has Warner Bros. retained lobbyists to engage with DOJ political appointees outside the Antitrust Division in connection with this transaction?*

Warner Bros. Discovery believes that the merger review process should be based on the facts, the law, and the competitive dynamics of the industry. We are focused on the ongoing regulatory review, including providing information to the Department of Justice's antitrust division, and we are confident, based on the law and the facts, that the merger will receive all necessary regulatory approvals around the world. Engagement by Warner Bros. Discovery in the political process is publicly reported pursuant to the Lobbying Disclosure Act, as required, and in our public disclosures regarding political activity.

4. *In December, Warner Bros. Discovery filed a Schedule 14D-9 Form with the Securities and Exchange Commission regarding Paramount's bid for the company. The filing said that on December 15, 2025, the Warner Bros. Discovery board met and unanimously rejected the Paramount offer. The filing questioned Paramount's credibility and said the company "has a track record of breaching its obligations to WBD" because Paramount breaches its non-disclosure agreement with Warner Bros. Discovery on multiple occasions and threatened your company on multiple occasions as a pressure tactic.*

    a. *Can you discuss why you think Paramount has a credibility problem and why it didn't comply with its commitments to Warner Bros. Discovery?*

    b. *Would you trust Paramount and the Ellison family to be truthful and credible in any antitrust review and regulatory process in a potential acquisition involving Warner Bros. Discovery?*

As detailed in the company's public filings, Warner Bros. Discovery's board carefully evaluated several competing offers before concluding that the Netflix offer presented the best opportunity for the company. Warner Bros. Discovery's board continues to evaluate submitted offers in accordance with its legal obligations. As you noted, significant information is included in the company's 14D-9 filings. I cannot speak to Paramount's potential engagement in an antitrust regulatory review process.

5. *Paramount has submitted a hostile bid in response to Warner Bros. Discovery's decision to proceed with Netflix's offer, with Paramount even later increasing its offer price to $77.9 billion to account for any losses potentially incurred by Netflix if they were to withdraw from their merger agreement with Warner Bros. Discovery. However, Warner Bros. Discovery has continued, however, to unanimously reject Paramount's offer, labeling it as "inferior" and showing no indication of reconsidering its decision. Warner Bros. Discovery's Chair Samuel Di Piazza Jr later cited Paramount's debt and lack of shareholder protections as major factors in this decision.*

   a. *In your view, why has Warner Bros. Discovery continuously chosen to proceed with Netflix's offer, even though Paramount has increased its offer? What makes Paramount's offer inferior to Netflix's?*

   b. *Does a potential merger with Paramount risk more anticompetitive harm and higher barriers to regulatory approval than with Netflix?*

   c. *What major risks and potential negative consequences to Warner Bros. Discovery would a merger with Paramount pose?*

As detailed in the company's regulatory filings, Warner Bros. Discovery's board carefully considered all offers and concluded that the Netflix merger presented the best opportunity for the company. The board's decision is explained at length in our filings, including our preliminary and final proxy statements, and I refer you to those filings for additional details regarding the company's consideration of the Netflix and Paramount offers, and to the company's announcement yesterday that it continues to review the Paramount offer.

The Honorable Charles E. Grassley

1. *How would the proposed Netflix–Warner Brothers transaction impact local, neighborhood movie theaters and the communities that rely on them, including any expected changes to theatrical release windows, the number or scope of wide releases, access for independent and small-market theaters, or related local employment or economic activity?*

I defer to Mr. Sarandos regarding Netflix's plans following the merger, but I note that Netflix has made a variety of public statements regarding its commitment to theatrical releases. In addition, based on my experience in the industry, I believe that Netflix will have significant economic incentives to continue with theatrical releases.

2. *How would the proposed transaction change how Warner Brothers' portfolio of film and television content would be licensed, distributed, or made available to third-party platforms or exhibitors? Please explain whether competing distributors and theaters would be affected and what safeguards might help prevent unfair competition.*

I defer to Mr. Sarandos regarding Netflix's plans following the merger. Warner Bros. has a long history of theatrical releases, and we believe that a strong theatrical sector supports many communities and their local businesses. In addition, I refer you to Netflix's public statements regarding its intent to maintain Warner Bros.'s production of content for third parties, and its interest in continuing to license film and television content for distribution by other broadcast, cable, satellite, and streaming companies.

3. *Why is this merger necessary, and how would it benefit the public? Can these benefits be independently verified?*

Warner Bros. Discovery did not seek this merger. Rather, after announcing its plans to split the streaming and studios business from the news, sports, and entertainment channel assets, the company received a number of unsolicited offers. In accordance with its legal obligations, the Warner Bros. Discovery board therefore conducted a full review of the company's strategic options and determined that Netflix's offer was the best opportunity for our company. The company will continue to review all offers, and ultimately shareholders will have an opportunity to determine if a merger is in the best interest of the company.

4. *If this transaction is subject to a lengthy government review or ultimately not approved, how would that process affect Warner Brothers' ability to pursue other business opportunities?*

Warner Bros. Discovery continues to operate as an independent and competitive company. The merger agreement provides the flexibility we need to conduct our business in the ordinary course, as we continue doing today.

The Honorable Richard Blumenthal

1. *Many in Hollywood, from the Directors Guild and Teamsters to movie theaters, have raised concerns about the impact of a Netflix-Warner Brothers merger on consumers and competition. Similar concerns have been expressed about a Paramount acquisition.*

    a. *Based on market share, would a Paramount merger significantly add to already increasing consolidation among movie studios?*

    b. *The director Christopher Nolan said, regarding the potential sale of Warner Brothers, that "the loss of a major studio is a huge blow." Would the loss of a competitor studio occur if Warner Brothers merged with Paramount?*

    c. *Paramount's offer outlines more layoffs than Netflix based on its plans for synergies and cost-cutting. It appears that many will lose their jobs under a Paramount acquisition than a Netflix acquisition based on disclosures. Is that correct?*

The Warner Bros. Discovery board unanimously concluded that the merger agreement with Netflix represented the most favorable path forward for the company. The company's reasons for concluding that the Netflix merger was preferable to the Paramount offer are detailed in the company's SEC filings, and I refer you to the detailed discussion contained in those filings.

2. *Critics of your merger have claimed that the combination of Netflix and Warner Bros. would create a company with as much as a 40% market share in 'on-demand streaming services.' Under the 2023 Merger Guidelines and Philadelphia National Bank, that makes this deal presumptively unlawful. On the other hand, YouTube is mentioned 50 times in the written testimonies offered by yourself and Netflix CEO Ted Sarandos. You seem to take the position that anything someone can watch in a theater or on their television, phone, or computer is within the same market. This implies that under your expansive definition, TikTok, YouTube, Instagram, cable services, and every app that offers video exists in the same hypothetical market. Wouldn't that broad definition essentially eviscerate antitrust enforcement against future media, cable, or social network mergers?*

From my perspective, as an executive focused on our competitive position in the marketplace, we must take account of the many media and entertainment options that compete for consumers' interest and attention. Today, consumers access video content through numerous paid and ad-supported services, expanded social media platforms, digital and interactive games, and dozens of other entertainment options. YouTube increasingly competes in the traditional and evolving television marketplace. For example, starting in 2029, the Academy Awards ceremony will not appear on broadcast or cable television—it will appear exclusively on YouTube.

3. *After this merger, Americans will have fewer independent options for 'on-demand streaming services,' no matter how you define the market. One recent, similar case involved an attempted merger in book publishing. In 2021, Penguin Random House tried to buy Simon & Schuster. At the time, Penguin Random House was the biggest book publisher in the United States. Simon & Schuster was also part of the "Big Five" that dominated the market. The*

Department of Justice successfully blocked the proposed deal on the basis that the acquisition would create a behemoth publisher with too much influence over the market for anticipated best sellers. On its face, this proposal looks a lot like Penguin Random House (as would a Paramount acquisition of Warner Brothers Discovery.) Why do you believe this merger is distinct from Penguin Random House?

The merger of Netflix with Warner Bros. Discovery's streaming and studios business is largely vertical. I do not agree that the merger will necessarily result in fewer options for streaming services. Data show that many subscribers of Netflix also subscribe to HBO Max because consumers view them differently.

4. *Streaming seems more and more like the cable industry: increasingly expensive, with less and less choice. Consolidation has only worsened that frustration. When Disney bought Hulu in 2025, the price of both Disney+ and Hulu quickly rose. Disney also cut back on theatrical releases after it acquired Fox's movie studio business, in 2019. Since the merger of WarnerMedia and Discovery Inc. less than four years ago, Warner Brothers has also repeatedly raised prices for customers. What's stopping you from gesturing at lower prices now for good will, and then raising them after the transaction closes?*

I cannot speak to Disney's decisions, and I defer to Mr. Sarandos regarding Netflix's plans following the merger. For our part, since the merger of WarnerMedia and Discovery Inc., we have dramatically increased our investment in productions and continued to expand our offerings to consumers, both in streaming services and other media. Consumers have numerous streaming options today, and the average U.S. household now subscribes to three to four streaming services.

5. *Mergers like this tend to result in layoffs. This pattern is evident across recent entertainment industry mergers. In 2019, Walt Disney Co. purchased Fox's entertainment assets. Over 4,000 employees were laid off. In 2022, Discovery took over Warner Brothers. Thousands were laid off, over multiple rounds of firings. And in August of 2025, less than a year ago, Skydance purchased Paramount. More than 2,000 workers have already lost their jobs. When T-Mobile testified before the Senate Judiciary in 2018 regarding their proposed merger with Sprint, they promised that the merger would be "jobs positive." They never bothered to keep their word, and cut thousands of jobs as soon as they could. What's stopping you from gesturing at retaining workers now, and then engaging in layoffs after the transaction close?*

Although I defer to Mr. Sarandos regarding Netflix's plans following the merger, it is notable that the merger of Netflix with our streaming and studios business is largely vertical, with minimal overlapping business lines. The merger will supplement and expand Netflix's nascent production capabilities, creating greater opportunities for writers, directors, actors, and others.