



The Honorable Adam Schiff
112 Hart Senate Office Building
Washington, DC 20002

The Honorable Laura Friedman
1517 Longworth House Office Building
Washington, DC 20515

February 28, 2026

Dear Senator Schiff and Representative Friedman,

Thank you for your letter dated February 6th, concerning our proposed acquisition of Warner Bros. Discovery (WBD). You have asked to see concrete commitments to Californian and American workers. In response, let me begin by reiterating the commitments I have recently made publicly to the creative community and audiences should Paramount emerge as the successful bidder for Warner Bros. Discovery. Every one of these commitments is measurable, objective and verifiable.

- **Increased Creative Output:** First, I reaffirm my commitment that 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 feature films annually across the group—delivering great entertainment to audiences while supporting sustained job creation across the film and creative industries. We have already increased Paramount’s output from 8 to 15 feature films since closing the Paramount-Skydance transaction this past August.
- **Third-party Content and Licensing:** Both studios will continue to support a vibrant third-party ecosystem by licensing their films and shows across their own and third-party platforms, while remaining active buyers of content from third-party studios and independent producers.
- **Preserving HBO:** HBO will continue to operate independently under our ownership, enabling it to create more of the world-class content it is renowned for.
- **Theatrical Commitment:** Every film will receive a full theatrical release, with a minimum 45-day window globally before becoming available on paid video-on-demand (VOD), with the intention of 60-90 days or more to maximize the audience for our most successful releases. We will continue to adhere to the specific windowing commitments we have across the geographies we operate in.



- **Preserving the Home Video Window:** Following its theatrical run, each film will transition to the current industry standard home video window, preserving paid video-on-demand prior to availability on subscription streaming services.

If Paramount is successful in acquiring Warner Bros. Discovery, these commitments will help preserve good jobs and expand opportunities for workers in California and in the United States.

Turning to your specific questions, here are my responses:

1. How will your company ensure that Hollywood and California remain central to your production and investment strategy?

Paramount is the longest operating and only remaining major studio in Hollywood. During its 100-year history, Paramount has been on the ground floor of every major development in film—from the advent of motion pictures to the emergence of television, through the digital revolution. It has also served as the production site for thousands of notable movies and TV shows.

I firmly believe that uniting Paramount and Warner Bros. Discovery presents a unique opportunity to build a true champion for the creative community, one that can and will bring more stories to life, support filmmakers and talent with real scale, and compete effectively on the global stage as an independent media leader. That is the true legacy of Hollywood, and my promise to you is to build a stronger Hollywood, by keeping both of these legacy studios operating separately, thereby preserving and potentially increasing jobs.

I also believe that uniting Paramount and Warner Bros. will create a more capable and effective rival to the dominant platforms. This is in stark contrast to the path chosen by Netflix. It is, in reality, what sets us apart from Netflix.

2. What concrete steps will you take to preserve and expand good-paying film and television jobs in Los Angeles?

The Los Angeles area provides some of the most talented and well-trained film and television workers in the world, and it is my expectation that the commitments I have made will preserve and expand good-paying film and television jobs in the area. Our commitments to strengthen Hollywood have already begun—once the Skydance acquisition of Paramount was finalized we moved the company's headquarters to the historic Paramount lot on Melrose Avenue, and committed to expanding Paramount's theatrical releases, all of which means more activity in



Hollywood and more local jobs. Our pledge to continue to license Paramount and Warner Bros. films and shows means there will be additional opportunities available for creative talent in Los Angeles. Our pledge to continue to be active buyers of content from third-party studios and independent producers also means more good-paying jobs in Los Angeles. Paramount has deep roots in Southern California. My vision as a CEO is to stay true to our roots.

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?

A combination of Paramount and Warner Bros. Discovery will not create any market power in any facet of the business. By contrast, Netflix was seeking to entrench its dominance as a streamer by amassing the largest library of exclusive content in the history of entertainment. Netflix has never produced content for, or licensed content to, other streamers.

Market forces will continue to assure competitive pricing and quality if Paramount is ultimately successful in acquiring Warner Bros. Discovery. By contrast, the now-abandoned Netflix deal would have been anticompetitive on its face and would have further entrenched Netflix's dominance in subscription video on demand. This is just plain economics.

4. Will you commit to working in good faith to bargain with unions representing the thousands of entertainment employees, and to growing that workforce?

Paramount has historically enjoyed a collaborative and respectful partnership with the unions, their leadership and its unionized workforce. Paramount values the talent, passion and hard work our union workforce dedicates to their craft and our industry. We remain steadfast and committed to bargaining with all our union partners in good faith—both individually as a company and collectively with the Alliance of Motion Picture & Television Producers (AMPTP). To this end, I have already met in person with key guild and union representatives to discuss our vision for the combined company and the benefits of the transaction for creative talent and unionized workforce. We want to ensure the long term stability and growth of our valued workforce and industry as a whole.

5. How will you work to ensure that you are centering your use of AI in a way that does not displace workers?

Paramount is committed to the responsible use of AI as a tool, which means that it adds to what workers are able to do. We bargained very carefully with the AMPTP and the unions in 2023 and 2024 to come up with AI provisions in the collective bargaining agreements that have



appropriate guardrails for the use of AI as a tool. These provisions have proven highly effective and included the creation of an AI Taskforce made up of intellectual property, labor, legal, and technology experts at the company that reviews each use case of AI to ensure proper use of AI and compliance with the law and applicable collective bargaining agreements. This has been our approach in the past, and it differentiates us from Netflix which, in an earnings call in the fall, expressed that it had gone “all in” on AI. We are in the business of creating content, not gluing viewers to our platform.

6. How will you balance the rights and livelihoods of creators and rights holders with increased use of AI?

For more than a century, advances in technology have played an important part in enhancing the creation, production, development, and distribution of compelling audiovisual content. We see great promise in AI. Importantly, however, our view is that human beings are, and should remain, at the heart of the creative process. We view AI as a tool to enhance human creativity—not replace it.

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?

Despite the longstanding American dominance in film and television production, foreign countries have in recent decades lured an increasing number of high-value productions, and the associated jobs and economic stimulus, overseas through aggressive incentive programs. Currently, more than 80 countries offer significant national tax incentives similar to this proposal to attract film and TV production activity. Most states try to compete by offering their own incentive programs, but in the absence of a national incentive this patchwork approach hinders the U.S. market’s competitive edge, and numerous productions that could have been made in America became unaffordable.

America already has the world’s leading entertainment workforce and world-class production facilities. It now just needs a federal film tax incentive to close the competitive gap with the rest of the world, and again attract the biggest film and TV projects, activate its highly skilled workforce, and utilize its infrastructure.

We enthusiastically and actively support federal tax incentives that will assist in expanding production in the United States, and we will look forward to filling our sound stages to maximum capacity once again. To that end, we will continue to engage with Congress on these issues.



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?

Until recently, Section 181 of the tax code was a powerful pro-American jobs tool that worked for two decades to support “made in America” film, television, and theatrical productions and benefit communities across the United States with highly sought after project investments and the local jobs and economic activity they deliver. By allowing immediate depreciation of a portion of qualifying expenses incurred here in the U.S., Section 181 provided a meaningful incentive to locate productions here at home. What’s more, Section 181 required that 75% of a qualifying production’s labor compensation be incurred in the United States, which anchored these projects to American communities and boosted local economies.

Unfortunately, Section 181 expired at the end of last year. Returning more production to the United States will require broad-based policy solutions, including a federal film tax incentive; Section 181 represents an important step to help keep and create jobs in America. We would urge you to work with your colleagues in both the House and Senate to ensure that Section 181 is reinstated as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to be "DE", with a long horizontal line extending to the right.

David Ellison
Chairman & CEO
Paramount Skydance Corporation