WRITERS GUILD OF AMERICA WEST

August 14, 2026

The Honorable Richard Simpson, Chairperson, and Honorable Commissioners
California Law Revision Commission
c/o Legislative Counsel Bureau
925 L Street, Suite 275
Sacramento, CA, 95814

RE: Antitrust Law – Study B-750 of the California Law Revision Commission

Dear Chairperson Simpson and Honorable Commissioners:

The Writers Guild of America West (WGAW) is a labor union that represents over 11,000 writers of movies, television and streaming series in the media and entertainment industry vital to California. We commend the California Law Revision Commission (CLRC) and staff on their committed work to modernize and strengthen state antitrust law through Antitrust Law – Study B-750. We are pleased to provide comments on the draft language under consideration regarding mergers (Memorandum 2026-29, "Draft Language Options for Mergers and Acquisitions"). We urge the Commission to adopt a broadly applicable merger statute. We recommend the Commission support the revised option that combines Options Two, Three, and Four from Memorandum 2026-29.

Today, California lacks explicit statutory grounding in state law to challenge mergers. Enhancing California's antitrust law would enable state enforcers to try antitrust cases in state court and allow California judges to develop stronger legal standards. The proposed acquisition of Warner Bros. Discovery by Paramount Skydance highlights the urgent need for California law addressing mergers and acquisitions. In June, the U.S. Department of Justice reportedly rushed approval of this merger over the objections of career staff.[1] A coalition of 12 State Attorneys General led by California Attorney General Rob Bonta were then forced to step up and sue to block the merger to protect Californians. The WGAW and Writers Guild of America East also filed suit on July 14 to block the merger on the grounds that it violates antitrust law and will harm writers. In short, this merger would be catastrophic for this industry, particularly in California. A merged Paramount-Warner Bros. would become the largest employer of WGAW members, and eliminate a direct competitor, leading to layoffs, reduced wages, and worsened conditions for all entertainment workers.

Options Two and Three revive the structural presumption standard established in *Philadelphia National Bank*, and codifies key sections of the federal 2023 Merger Guidelines. The WGAW

[1] Dave Michaels, Dana Mattioli, Sadie Gurman and Jessica Toonkel, *Justice Department Decision to Allow Paramount Deal Surprised Staff Investigators*, WALL STREET JOURNAL (Jun. 15, 2026), https://www.wsj.com/business/media/justice-department-decision-to-allow-paramount-deal-surprised-staff-investigators-a18f70da.

strongly supported the revised 2023 Merger Guidelines,[2] and we are pleased to see the Commission consider designating the Guidelines as a persuasive authority in interpreting this presumption and codifying select bright line standards.

While the WGAW supports these bright line standards for consumer markets, we recommend the Commission set lower bright line standards for labor markets. Numerous unique characteristics of the labor market for writers in the professional entertainment industry increase employer market power beyond what a pure market share or Herfindahl-Hirschman Index assessment would suggest,[3] an observation acknowledged in the 2023 Merger Guidelines regarding labor markets generally.[4] WGAW has seen powerful media companies without overwhelming market shares hold down wages and impose lower-quality employment terms on writers.

Option Four proposes a broader "appreciable risk" standard which would lower the burden of proof for what is considered a harmful merger and would allow state courts to establish improved case law distinct from overly permissive federal precedents. With these enhanced merger provisions in California antitrust law, state enforcers would be empowered to effectively and efficiently challenge harmful mergers in the media and entertainment industry, protecting Californians against higher prices, lower wages, less diverse content, and limits to creative innovation. If the Commission does not recommend an "appreciable risk" standard, we strongly urge the codification of a "reasonable probability" standard to make clear the Commission's intent to stop the trend of consolidation before it results in entrenched market power.

Thank you for the opportunity to comment on this critical study and for your work on this important subject. The task of updating state antitrust law to serve today's realities is long overdue, and urgently needed in this moment as federal antitrust enforcers fail to challenge anticompetitive conduct that harms workers and consumers. We urge the Commission to take these imperative steps to support a vibrant economy for all Californians.

Respectfully submitted,

Erica Knox
Director of Research and Public Policy

Shelagh Wagener
Political and Legislative Director

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[2] Writers Guild of America West and American Federation of Musicians, "Comment on Draft FTC-DOJ Merger Guidelines," (Sept. 18, 2023), https://www.wga.org/uploadedfiles/news_and_events/public_policy/wgaw-afm-comment-on-doj-ftc-draft-merger.pdf

[3] Demand for film and TV writers is irregularly timed, skills are highly varied, available opportunities are limited by genre type and job level, and idiosyncratic preferences play an outsized role in matching talent and employers.

[4] "The level of concentration at which competition concerns arise may be lower in labor markets than in product markets, given the unique features of certain labor markets." U.S. Department of Justice and the Federal Trade Commission, "2023 Merger Guidelines," (Dec. 18, 2023) p. 27.