



# 12 States vs. the Paramount Skydance–Warner Bros. Discovery Merger

Why a group of U.S. states is trying to block  
Hollywood's largest-ever media merger

## The deal, in brief

- On February 27, 2026, Paramount Skydance agreed to buy Warner Bros. Discovery for about \$110 billion.
- Paramount Skydance won the deal after outbidding Netflix and Comcast, who had also been trying to buy Warner Bros. Discovery.
- It would combine two of Hollywood's largest studios, TV networks and streaming services under one owner.
- The companies are targeting a closing date of September 30, 2026.

## Regulators' review so far

- The U.S. Department of Justice cleared the deal on June 12, 2026, with no conditions — it concluded the merger was unlikely to harm competition.
- The European Union is still reviewing the deal; a decision is expected around July 22, 2026.
- On July 13, 2026, a coalition of 12 U.S. states — led by California — sued in a federal court in California to block the deal, even though the Department of Justice had already cleared it.

*Coalition states: Arizona, Colorado, Connecticut, Massachusetts, Minnesota, Nevada, New Jersey, New Mexico, New York, Oregon and Washington.*

## The economics: three markets at stake

The states argue the deal would reduce competition in three markets.



### Wide-release films

Movies shown  
broadly in theaters



### Blockbuster films

The biggest, most  
anticipated releases



### Cable TV channels

Channels bundled  
into cable and  
satellite packages

## What more concentration would look like

*Combined market shares alleged by the states*

| Market             | What the merger would create                                                           |
|--------------------|----------------------------------------------------------------------------------------|
| Wide-release films | The combined company: about 27% of the market. The four largest studios together: 86%. |
| Blockbuster films  | Combined company: over 30%. The four largest studios together: over 90%.               |
| Cable TV channels  | The combined company would own more than 50 channels — about 27% of basic cable.       |

*Figures as alleged in the states' complaint. Source: California Attorney General's Office, July 13, 2026.*

## What each side argues

### The states' view

- Fewer competitors could mean higher prices and less content for theaters, cable providers and viewers.
- Promises to keep producing films and shows aren't legally binding.

### The companies' view

- A larger, combined company could compete better against Netflix and other streaming giants that have already strained movie theaters and TV production.
- Regulators already reviewed the deal for eight months and cleared it without conditions.

## Where things stand, and what to watch

- The states' lawsuit and the EU's ongoing review could still change the deal's terms, or delay it further.
- At its core, this is an economic question: would the combined company be able to raise prices or cut back on content — or would it simply be a stronger competitor to streaming giants?
- The September 30, 2026 deadline adds real time pressure to how quickly this needs to be resolved.

*Sources: California Attorney General's Office (oag.ca.gov); Bloomberg; DF.cl; Deadline; Variety (as of July 13, 2026).*