



September 14, 2023

Chairwoman Lina M. Khan
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580

Dear Chairwoman Khan:

On behalf of the Directors Guild of America (DGA) and the International Alliance of Theatrical Stage Employees (IATSE), we write to support the Federal Trade Commission and Department of Justice's proposed changes to the agencies' merger guidelines for evaluating proposed mergers and acquisitions to ensure they do not stifle open and fair competition in the marketplace.

The DGA is a labor union that represents more than 19,000 directors and members of the directing team who create the feature films, television programs, commercials, documentaries, news, and other motion pictures that are among this country's greatest cultural export. DGA's mission is to protect the creative and economic rights of our members. IATSE proudly represents over 170,000 behind-the-scenes entertainment workers in all forms of live theater, motion picture, television production, trade shows, exhibitions, television broadcasting, and concerts, as well as the equipment and construction shops that support these areas of the entertainment industry.

The draft merger guidelines represent an important course correction that will once again allow the Government to review the impact of consolidation and vertical integration in the entertainment industry on our members and other workers in the in film and television industry. The rapid growth of online streaming and the influence of a few dominant technology companies have pushed most of the major studios to withhold sales of feature films and television programs from the open market in a race to build their own subscription streaming platforms that offer exclusive access to their self-produced content. These practices

have negatively impacted DGA and IATSE members, and other workers by endangering jobs, competitive wages and benefits, residual or re-use payments, working conditions, and opportunities to create a wide range of movies, and television shows.

Despite Congress' explicit intent that, under the original Sherman Act of 1890, the government consider the impact monopolies and anti-competitive behaviors have on labor markets, regulators focused on the ineffective and short-sighted *consumer welfare* standard that only considers allocative efficiency and the cost and quality of products and services. The proposed guideline number 11 makes clear that the agencies may, in fact, challenge a transaction on the ground that it substantially lessens competition in a labor market.

The proposed merger guidelines are a step forward for American workers and the labor unions that represent them.

Sincerely,

A handwritten signature in black ink, appearing to read "Russell Hollander", with a long horizontal flourish extending to the right.

Russell Hollander
National Executive Director
Directors Guild of America

A handwritten signature in black ink, appearing to read "Matthew D. Loeb", with a long horizontal flourish extending to the right.

Matthew D. Loeb
International President
International Alliance of Theatrical Stage Employees