

February 10, 2026

The Honorable Mike Lee  
Chairman  
Subcommittee on Antitrust, Competitive Policy, and Consumer Rights  
United States Senate  
Washington, DC 20510

Dear Chairman Lee,

Thank you for holding a hearing last week entitled "*Examining the Competitive Impact of the Proposed Netflix-Warner Brothers Transaction.*" I write to provide my perspective and ask that you include it in the hearing record.

I am a film-maker whose feature films have made over 10 billion USD in the global film marketplace across my career as a writer, director, producer. I wrote and directed the first two *Terminator* films, *Aliens*, *The Abyss*, *True Lies*, *Titanic*, and the three *Avatar* films.

My 44-year directing career has been focused on making movies for theatrical exhibition, and I believe strongly that seeing movies in theaters is an important pillar of our culture, to say nothing of being one of our biggest exports, in purely economic terms.

But the cinema marketplace has contracted sharply in recent years, by about 30%, due to media consumption habit-patterns changing as a result of the Covid pandemic and the concurrent rise of streaming.

I believe strongly that the proposed sale of Warner Brothers Discovery to Netflix will be disastrous for the theatrical motion picture business that I have dedicated my life's work to. Of course, my films all play in the downstream video markets as well, but my first love is the cinema. I have been among the pioneers in enhancing the theatrical experience, through the creation of digital 3D production systems, advanced Visual Effects technologies, and pioneering high frame rate display. Theatrical exhibition is a critical part of my creative vision. I believe in the big screen.

Netflix co-CEO Ted Sarandos has called movie theaters "an outdated concept" and an "outmoded idea." He has also said, at a recent earnings call, "Driving folks to a theater is just not our business." The business model of Netflix is directly at odds with the theatrical film production and exhibition business, which employs hundreds of thousands of Americans. It is therefore directly at odds with the business model of the Warner Brothers movie division, one of the few remaining major movie studios. "Warners" releases approximately 15 theatrical movies a year and the beleaguered motion picture exhibition community desperately depends on that output.

It will be a blow to the exhibition community (theater owners and their tens of thousands of employees) at a critical time to have this production output redirected to streaming.

Mr. Sarandos is a good person and a clever business leader and innovator, but the goals of his company are directly opposed to the health of the cinema marketplace. This merger will remove consumer choice by reducing the number of feature motion pictures that are made. It will restrict the choices of film-makers looking for studios to invest in their projects, which will in turn reduce jobs.

On an *Avatar* movie I employ over 3000 people, many for up to four years. The type of film I make, which is the type that dominates the global box office (tentpole action, science fiction, and fantasy) is expensive to produce and highly dependent on a healthy exhibition community. If such films are no longer green-lit because the market contracts further, which the Netflix acquisition of Warner Brothers will certainly accelerate, then many jobs will be lost. Theaters will close. Fewer films will be made. Service providers such as VFX companies will go out of business. The job losses will spiral.

At a time when the US trade deficit is a major concern, one of America's largest export sectors will be negatively impacted. Which is to say nothing of the cost to our greatest cultural export: movies. The US may no longer lead in auto or steel manufacturing, but it is still the world leader in movies. That will change for the worse.

Mr Sarandos has pledged to maintain a theatrical release window of 17 days. There are three problems with this.

Firstly, 17 days is ridiculously short. Big films may play profitably in cinemas for months. All three *Avatar* films, and *Titanic* before that, made their enormous revenues from long stays in cinemas. *Titanic* was the number one film in theaters for 16 weeks, and *Avatar* for 10 weeks. *Avatar* played successfully in theaters for over 4 months.

Most people in the feature film business believe the minimum window should be 45 days, many advocate for 60 days. So 17 days is a token window, and grotesquely insufficient. Secondly, a pledge of any number of days does not mean anything unless there is a concomitant pledge of the number of theaters. A major film release typical goes out to over 3000 theaters day-and-date, in the domestic marketplace.

Netflix has done only a handful of theatrical releases, and only then under pressure from prestigious film makers, But these are usually in a token number of theaters, and are mostly done to qualify for Academy Awards. These releases do not represent the bread-and-butter of the exhibition business.

Thirdly, though a pledge for a theatrical window may be given now in order to assuage critics of this ill-conceived merger, there is no guarantee of how Netflix may run its business in years to

come. Their pledge to support theatrical releases (a business fundamentally at odds with their core business model) is likely to evaporate in a few years. What are the teeth in the deal? What administrative body will hold them to task if they slowly sunset their so-called commitment to theatrical releases? But once they own a major movie studio, that is irrevocable. That ship has sailed (as I like to say, mindful that I directed *Titanic*. I am very familiar not only with ships that sail, but also those that *sink*. And the theatrical experience of movies could become a sinking ship.)

There are many issues on the streaming and broadcast side that should be of concern to this Subcommittee, such as the enormous market share that will be aggregated under one corporate entity (far beyond the limits, under current antitrust law, as I am advised.) But this is not my area of expertise.

I am but a humble movie farmer. And I see my future creativity and productivity directly threatened by this proposed sale. I'm sure there are many in the motion picture community... writers, producers, directors, exhibitors, craft Guilds, film crew employees, and service providers who agree with me. Many will choose not to be as vocal as I am, because Netflix is a major employer into the foreseeable future.

But I know I speak for many. A vast groundswell, in fact.  
I hope you will consider my concerns as you further investigate this proposed transaction.

Yours in sincere concern,

James Cameron