



Sent Via Email

October 28, 2025

Andrew N. Ferguson
Chairman
Federal Trade Commission

Melissa Holyoak
Commissioner

Mark R. Meador
Commissioner

Re: Investigate Proposed Buyout of Electronic Arts (EA)

Dear Chairman Ferguson and Commissioners,

I am writing to inform you that the Communications Workers of America (CWA) has significant questions and concerns regarding the recently proposed acquisition of Electronic Arts (EA) by the Public Investment Fund (PIF), the sovereign wealth fund of Saudi Arabia, and private equity firms Silver Lake and Affinity Partners, that is under review by the Commission. CWA members are especially concerned about the EA acquisition's impact on competition in both product and labor markets in the vitally important and growing sector of the American economy of video games.

CWA is one of America's largest and most diverse unions, representing American workers in multiple industries including technology and media. In 2020, CWA established the Campaign to Organize Digital Employees (CODE-CWA) and now represents more than 4,000 video game workers in the U.S., making our union the largest in the industry. As workers and consumers hoping to see the American economy strengthened and revitalized for our families, CWA members believe there are several questions the Commission should examine as it considers this high-stakes acquisition, in particular the implications regarding consolidation in the video game industry, increased vertical integration and the potential for greater exclusionary conduct across multiple related business lines, potential interlocking directorates, and the impact of the acquisition on EA's market power in local labor markets in light of EA's current wage-setting power. Further, as an organization that has sought to ensure that workers have a seat at the table in major corporate transactions affecting them – for example during the Microsoft-Activision merger – CWA believes it is critical that workers' voices and interests are considered by the Commission, in keeping with your commitment that the FTC would prioritize protecting American workers from anti-competitive labor market practices.¹

Our questions and concerns include the following:

¹ Fed. Trade Comm'n, FTC Launches Joint Labor Task Force to Protect American Workers (Feb. 26, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/02/ftc-launches-joint-labor-task-force-protect-american-workers>.

1. **Potential for vertical integration.** Under the current Merger Guidelines, mergers that may limit access to products or services rivals use to compete may be illegal, and whether there is a trend towards vertical integration is highly relevant to that inquiry.² EA derives much of its video game revenue from its popular sports-related video games, including Madden NFL, EA Sports FC (formerly FIFA) and the newly released EA Sports College Football franchise.³ Meanwhile, the proposed buyers PIF and Silver Lake are heavily invested in traditional sports and adjacent industries, with ownership in sports teams, sports streaming, talent management and sports betting.⁴ For example, Silver Lake owns WME Group, a private company which operates a leading talent management agency and is the majority owner of TKO, the parent company of both UFC and WWE, each of which are major licensors of intellectual property used in video games published by EA and its competitors.⁵ PIF owns LIV Golf, a major global professional golf league, whose players have been featured in video games produced by EA and its competitors.⁶ Furthermore, PIF's acquisition of EA is in line with a broader Saudi National Gaming and Esports Strategy, through which the Saudi government, which controls PIF, has announced that it seeks to "make Saudi Arabia the global hub for gaming and esports."⁷ This extensive and interlocking network of cross-ownership raises the prospect of these entities engaging in self-preferencing and discriminatory and exclusionary conduct towards rivals across these sports, sports-related talent, and sports-related video game business lines. In addition, Silver Lake is a significant investor in Unity Software, Inc. (Unity), the world's leading platform for creating 3D content, including for popular games from key competitors like Call of Duty (Microsoft/Activision) and Valorant (Riot Games), as well as EA titles like Apex Legends.⁸ The acquisition could therefore

² U.S. Dep't of Justice & Fed. Trade Comm'n, Merger Guidelines (2023), https://www.ftc.gov/system/files/ftc_gov/pdf/2023_merger_guidelines_final_12.18.2023.pdf (2023 Merger Guidelines), at Guideline 5.

³ See Electronic Arts Inc., Annual Report on Form 10-K (May 13, 2025), at 26.

⁴ See, e.g., Karim Zidan, *The Public Investment Fund's Growing Sports Portfolio*, Play the Game (Oct. 12, 2024), <https://www.playthegame.org/news/the-public-investment-fund-s-growing-sports-portfolio/>; Nick Vivarelli, *DAZN Sells Minority Stake to Saudi Arabia's Surj Sports Investment in Landmark \$1 Billion Deal*, Variety (Feb. 18, 2025), <https://variety.com/2025/tv/news/dazn-saudi-arabia-surj-sports-investment-1billion-deal-1236311715/>; Silver Lake, *Endeavor Announces Completion of Acquisition by Silver Lake* (Mar. 24, 2025); Chad Jennings, Evan Drellich & Sam Blum, *A New Group Is Buying Up Minor League Baseball Teams At A Feverish Pace. What's The End Game?*, The N.Y. Times (Apr. 15, 2024); Euan Cunningham, *Silver Lake Expands City Football Group Stake To 18% With CMC Stepping Back*, Sportcal (Nov. 25, 2022), <https://www.sportcal.com/news/silver-lake-expands-city-football-group-stake-to-18-with-cmc-stepping-back/>; Jessica Golden, *Fanatics Valuation Hits \$31 Billion After \$700 Million Investment Round*, CNBC (Dec. 6, 2022), <https://www.cnbc.com/2022/12/06/fanatics-valuation-hits-31-billion-after-700-million-investment-round.html>.

⁵ *Endeavor Announces Completion of Acquisition by Silver Lake* (March 24, 2025) <https://www.silverlake.com/endeavor-announces-completion-of-acquisition-by-silver-lake/>; Todd Spangler, *Vince McMahon Sells \$250 Million of TKO Shares to WME Group*, Variety (Jun 5, 2025), <https://au.variety.com/2025/tv/news/vince-mcmahon-sells-tko-stock-wme-group-23414/>; EA SPORTS UFC 5 *Celebrates Its First Anniversary* (Oct. 23, 2024), <https://www.ea.com/en/games/ufc/ufc-5/news/ufc-5-first-anniversary-retrospective>; WWE 2K (accessed Oct. 24, 2025), <https://wwe.2k.com/>

⁶ Mike Hume, *LIV vs. PGA battle provides roster wrinkle for EA's upcoming golf game*, Wash. Post (Jan. 20, 2023), <https://www.washingtonpost.com/video-games/2023/01/20/liv-pga-tour-golf-ea-sports/>

⁷ National Gaming and Esports Strategy, accessed October 24, 2025, <https://www.vision2030.gov.sa/en/explore/strategies/national-gaming-and-esports-strategy>.

⁸ Simpson Thatcher & Bartlett LLP, *Silver Lake Leads \$1 Billion Investment in Unity Software* (Jul. 14, 2022), [https://www.stblaw.com/about-us/news/view/2022/07/14/silver-lake-leads-\\$1-billion-investment-in-unity-software](https://www.stblaw.com/about-us/news/view/2022/07/14/silver-lake-leads-$1-billion-investment-in-unity-software); Shannon Liao, *Unity to invest more in battle royale, multiplayer game development*, Washington Post (Sept. 20, 2022), <https://www.washingtonpost.com/video-games/2022/09/20/unity-epic-unreal-fortnite/>

position Unity to give preferential treatment to EA games, exclusionary conduct that would harm EA's rivals. We request that the FTC closely examine whether the proposed transaction would allow the new entity to have "the ability and incentive to substantially lessen competition by limiting access" to rivals for these related products and services.⁹

2. **Potential interlocking directorates.** Section 8 of the Clayton Act prohibits directors and officers from serving simultaneously on boards of competing corporations.¹⁰ Such interlocking directorates, as they are known, increase the risk of anticompetitive collusion between competitors. This issue may already be present among the acquiring parties, for example, the CEO of PIF-backed Savvy Games Group is Chairman of the Board of Scopely, the fifth largest mobile games publisher by revenue, driven by *Monopoly Go!* and its acquisition of Niantic's *Pokemon GO*, and a director of Embracer Group, a Swedish video game and media holding company with over 450 owned or controlled franchises and 69 internal game development studios.¹¹ Furthermore, these directorships are companies in which PIF and Savvy have invested in the past (or, in Scopely's case, wholly acquired),¹² suggesting that it is likely PIF or Savvy executives would gain board seats at EA through the transaction. We ask that the FTC investigate who plans to serve on the Board of EA if the proposed transaction is consummated and evaluate whether that Board composition will create any impermissible interlocking directorates.
3. **Potential horizontal competition questions.** Under the Merger Guidelines, mergers may be illegal when they eliminate substantial competition between firms or increase the risk of coordination.¹³ These competition concerns may arise even from partial ownership or minority stakes in competitors.¹⁴ In support of the Saudi National Strategy for Gaming and ESports, PIF has acquired numerous minority stakes in gaming software companies globally that may compete with EA.¹⁵ PIF is reported to own substantial stakes in video game software companies with significant presences in the U.S.: Nintendo Co. (4.68%) and Take Two Interactive Software, Inc. (6.19%), which control 9.3 and 4.2 percent of the U.S. video game software market, respectively, alongside EA's 9.4% market

⁹ See 2023 Merger Guidelines (Guideline 5).

¹⁰ 15 U.S.C. § 19.

¹¹ Andrea Knezovic, *Top 50 Mobile Game Developers & Publishers by 2025 Revenue*, Udonis (Oct. 2, 2025), <https://www.blog.udonis.co/mobile-marketing/mobile-games/mobile-game-developers>; Embracer Group, <https://embracer.com/> (last visited Oct. 24, 2025); Jennifer Maas, *Billion-Dollar Brand Scopely Sees the Future of Mobile Games in IP Like 'Pokemon Go,' 'Monopoly Go!' and Seamless Distribution*, Variety (Sept. 25, 2025), <https://variety.com/2025/digital/focus/scopely-mobile-games-pokemon-1236524727/>; Embracer Group, *Notice of Annual General Meeting in Embracer Group AB* (Aug. 18, 2025), <https://embracer.com/releases/notice-of-annual-general-meeting-in-embracer-group-ab-6/>; Embracer Group, Board of Directors & Committees, <https://embracer.com/governance/board-of-directors/> (last visited Oct. 24, 2025); Brian Ward, Rocket Reach, https://rocketreach.co/brian-ward-email_11870162 (last visited Oct. 24, 2025).

¹² Reuters, *Savvy Games to acquire gaming company Scopely for \$4.9 bln*, Reuters (Apr. 5 2023), <https://www.reuters.com/markets/deals/savvy-games-acquire-gaming-company-scopely-49-bln-2023-04-05/>; Lisa Bisset, *Savvy Games Group "fully supportive" of Embracer Group management over break-up plan*, PocketGamer.biz (Apr. 22 2024), <https://www.pocketgamer.biz/savvy-games-group-fully-supportive-of-embracer-group-management-over-break-up-plan/>.

¹³ 2023 Merger Guidelines (Guidelines 2 and 3).

¹⁴ *Id.* at Guideline 11.

¹⁵ Public Investment Fund, *How PIF Is Supercharging The New Golden Age Of Gaming* (Jan. 30, 2025), <https://www.pif.gov.sa/en/news-and-insights/news-network/2025/how-pif-is-supercharging-the-new-golden-age-of-gaming/>.

share (the largest market share in the U.S.).¹⁶ PIF also has stakes in other video game companies: Spokely, Savvy Games Group, Capcom Co., NEXON, Koei Tecmo Holdings Co., NCSOFT, and Embracer Group.¹⁷ The FTC should investigate whether the cross-ownership and common ownership of competitors that would result from the proposed transaction has the potential to “reduce competition by softening firms’ incentives to compete” or increase the risk that competitors would coordinate information or conduct.¹⁸

4. **Potential impacts on labor markets and workers.** The recently revised Merger Guidelines, adopted in 2023 and to which the Chair affirmed the Commission’s commitment,¹⁹ make clear that the Guidelines apply to labor markets as well as to product markets.²⁰ We have intense concerns about how this proposed deal could impact EA workers.²¹ Mergers that may entrench or extend a dominant position, including a dominant position in labor markets, may be illegal.²² We estimate that EA employs 20% of video game workers in Florida, and its labor market shares may be even higher in specific local labor markets there or in other states such as California or Washington. Further, as you know, evidence that an employer has the ability to cut or freeze wages and benefits or otherwise degrade working conditions without prompting workers to quit is also a direct indication that an employer possesses market power in a given labor market.²³ In fact, EA reported that in fiscal 2025, its median employee was paid 21 percent less than its median employee in fiscal 2024 (\$117,302 vs. 148,704), which suggests EA may indeed already have market power in relevant labor markets.²⁴ Accordingly, the Commission should investigate EA’s current labor market power and how this transaction could give it even greater ability and incentive to squeeze workers.

Relatedly, the transaction could lead to further reductions in jobs in these labor markets. EA has said publicly that the deal would not lead to “immediate” layoffs,²⁵ but with the deal being financed with a \$20 billion loan – making it potentially the largest leveraged buyout ever – some analysts suggest layoffs are one of the key ways the company will seek to cut costs in order to service its massive

¹⁶ Nintendo Co., Ltd., S&P Capital IQ, retrieved October 24, 2025.; Take-Two Interactive Software, Inc., S&P Capital IQ, retrieved October 24, 2025; Euromonitor, Video Games in the US, (May 2024) Page 8.; See Natasha Turak and Ryan Browne, *Saudi Arabia’s PIF Cuts Stake In Nintendo After Report Said It Was Considering Increase*, CNBC (Oct. 8, 2024), <https://www.cnbc.com/2024/10/08/saudi-arabias-pif-cuts-stake-in-nintendo-after-report-said-it-was-considering-increase.htm>.

¹⁷ Public Investment Fund, S&P Capital IQ, retrieved Oct. 24, 2025. See also *Saudi Arabia’s PIF Increases Its Stake In Japan-Based Koei Tecmo To 6.6%*, Arab News (Jan. 9, 2024), <https://www.arabnews.com/node/2438576/business-economy>.

¹⁸ 2023 Merger Guidelines (Guideline 11)

¹⁹ Fed. Trade Comm’n, FTC Chairman Andrew N. Ferguson Announces that the FTC and DOJ’s Joint 2023 Merger Guidelines Are in Effect (Feb. 18, 2025), <https://www.ftc.gov/news-events/news/press-releases/2025/02/ftc-chairman-andrew-n-ferguson-announces-ftc-doj-joint-2023-merger-guidelines-are-effect>.

²⁰ 2023 Merger Guidelines (Guideline 10).

²¹ See United Videogame Workers-CWA Local 9433, *Statement on Proposed Electronic Arts Buyout* (Oct. 15, 2025), <https://cwa-union.org/news/releases/united-videogame-workers-cwa-statement-proposed-electronic-arts-buyout>.

²² 2023 Merger Guidelines (Guideline 6).

²³ See 2023 Merger Guidelines (Guideline 10).

²⁴ Chris Kerr, *EA CEO Andrew Wilson earned 260 times more than the company’s median worker last year*, Game Developer (June 27, 2025), <https://www.gamedeveloper.com/business/ea-ceo-andrew-wilson-earned-260-times-more-than-the-median-worker-last-year>.

²⁵ Chris Kerr, *EA says \$55 billion take-private won’t result in ‘immediate’ layoffs*, Game Developer (Oct. 1, 2025), <https://www.gamedeveloper.com/business/ea-says-55-billion-take-private-won-t-result-in-immediate-layoffs>.

debt.²⁶ Layoffs could further consolidate and concentrate existing labor markets for video game workers in the U.S. Our concerns are compounded by the company's history of recent layoffs: EA has laid off over 1,700 US-based games workers since 2023.²⁷

Indeed, because of these potential significant impacts on workers and labor markets, we are specifically concerned that labor market information and workers' perspectives are considered in the review of this transaction, and request that the Commission meet with CWA during the course of this review.

We recognize that as Commissioner you have stated the FTC, under your leadership, "has the back" of working people.²⁸ Similarly, the White House has stated that the Trump administration is "finally putting American Workers first."²⁹ Our members, who are American workers, are asking you to have our back as our industry contemplates a merger with significant foreign ownership, potentially increased vertical integration, likely enhanced directorship conflicts, and consolidation in both labor and product markets. We respectfully request a meeting to discuss these questions and concerns at your earliest convenience.

Sincerely,



Claude Cummings Jr., President
Communications Workers of America

cc: Director Daniel Guarnera, FTC Bureau of Competition

²⁶ Nicole Carpenter, 'Gaming Is The New Oil:' How The EA Buyout 'Diverges From The Traditional Playbook,' Game Developer (Oct. 9, 2025), <https://www.gamedeveloper.com/business/-gaming-is-the-new-oil-how-the-ea-buyout-diverges-from-the-traditional-playbook->.

²⁷ Game Industry Layoffs, Obsidian, last updated Dec. 28, 2023, <https://publish.obsidian.md/vg-layoffs/Archive/2023>; Game Industry Layoffs, Obsidian, last updated Dec. 21, 2024, <https://publish.obsidian.md/vg-layoffs/Archive/2024>.

²⁸ See, e.g., @AFergusonFTC, X (Feb. 26, 2025, 3:41 PM), <https://x.com/afergusonftc/status/1894865373134004708?s=46>.

²⁹ White House, *President Trump Is Delivering for American Workers* (Sept. 1, 2025), <https://www.whitehouse.gov/articles/2025/09/president-trump-is-delivering-for-american-workers/>.