New Jersey Should Withdraw From the Paramount Litigation—and Make Economic Inclusion Part of the Deal

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I agree with the Hudson County elected officials who are urging New Jersey Attorney General Davenport to reconsider the State's participation in litigation seeking to prevent the proposed combination of Paramount Skydance Corporation and Warner Bros. Discovery.

New Jersey has worked too hard—and invested too much public policy and taxpayer resources—to establish itself as a national center for film, television and the broader creative economy to allow litigation to jeopardize an opportunity of this magnitude.

But there is another question that deserves equal attention:

If New Jersey is going to invest public resources to attract companies such as Paramount, how will those investments produce economic opportunity for the full spectrum of New Jersey businesses and residents?

That is the conversation we should be having now.

The State has made a substantial commitment to building its film and digital media industry. NJEDA designated Paramount as a Studio Partner under the State's Film and Digital Media Tax Credit Program following Paramount's commitment to lease more than 285,000 square feet at 1888 Studios in Bayonne for a minimum of 10 years. The State has also provided significant support for 1888 Studios, including approval of up to $400 million in Aspire tax credits for the development.

These investments are intended to generate jobs, business activity and long-term economic growth.

They should.

But **who gets to participate in that growth?**

That is where New Jersey must be more intentional.

The African American Chamber of Commerce of New Jersey strongly supports the continued development of the State's creative economy. We support good-paying jobs. We support union employment. We support construction. We support production. We support the growth of small businesses that will supply this emerging industry.

And we support Paramount's continued presence in New Jersey.

But support for Paramount should not mean that New Jersey simply measures success by the size of the studio, the number of soundstages constructed or the number of jobs announced.

We should measure success by how broadly the economic opportunity reaches.

New Jersey already has a blueprint for understanding why this matters.

The State's 2024 Disparity Study examined more than 1.2 million procurement records and approximately 240,000 contracts awarded between July 2015 and June 2020. The study found statistically significant disparities affecting minority-owned businesses, including Black-owned businesses.

One finding is particularly difficult to ignore: Black-owned businesses received 13 construction prime contracts in one of the studied contract categories, totaling approximately $3.3 million—or just 0.14% of the dollars awarded.

That should not be viewed simply as a Black business issue.

It is a New Jersey economic-development issue.

If New Jersey can successfully attract billions of dollars in private investment, but New Jersey-based businesses with the skills, capacity and interest to participate remain outside the supply chain, then we have not fully captured the economic value of the investment.

We are leaving opportunity on the table.

This is particularly important in an industry such as film and television, where economic activity extends far beyond actors, directors and producers.

There are opportunities for construction companies, electricians, carpenters, engineers, transportation companies, caterers, security firms, information-technology companies, accountants, attorneys, marketing firms, graphic designers, insurance professionals, photographers, architects, real-estate professionals, logistics companies and countless other businesses.

The question is whether these businesses will have a meaningful pathway into the industry.

New Jersey has already demonstrated that it understands the importance of workforce development. NJEDA has supported programs designed to prepare residents for occupations ranging from editing and camera operation to set construction, wardrobe and special effects.

That is a good beginning.

But workforce development without business development is incomplete.

We need both.

If public incentives help attract major entertainment companies to New Jersey, then the State should establish a **Community Economic Participation Strategy** around those investments. Such a strategy could include transparent reporting of New Jersey procurement, professional-service and construction expenditures; measurable participation by qualified New Jersey-owned businesses; outreach to minority- and women-owned enterprises; supplier-readiness programs; access to capital; and direct connections between major studios and the State's business community.

This is not about guaranteeing contracts to businesses because of race.

It is about ensuring that qualified businesses know about opportunities, can compete for them and have the capacity to perform when they win.

That is what a competitive marketplace should look like.

Paramount should have an important seat at this table.

So should the Governor, the Legislature, NJEDA, the New Jersey Motion Picture and Television Commission, organized labor, local governments and business organizations such as the African American Chamber of Commerce of New Jersey.

And this conversation should not stop with Paramount.

New Jersey has attracted multiple major film and television investments, including Netflix and Lionsgate. NJEDA identifies Paramount, Netflix and Lionsgate as Studio Partners within the State's film and digital media strategy.

Therefore, New Jersey has an extraordinary opportunity to establish a statewide model for **inclusive creative-economy development**.

My position is straightforward:

Withdraw New Jersey from the litigation if doing so protects the State's legitimate economic interests. But do not withdraw from the responsibility to ensure that New Jersey residents and New Jersey businesses participate meaningfully in the prosperity these public investments are designed to create.

That would be the real win-win.

Paramount gets certainty.

New Jersey protects its economic-development investment.

Workers gain access to careers.

Small businesses gain access to new markets.

Qualified minority-owned businesses gain access to opportunities from which they have historically been excluded.

And taxpayers receive something more valuable than a press release announcing another economic-development project: **measurable economic participation.**

New Jersey should not fight the creative economy it worked so hard to attract.

But neither should New Jersey be satisfied with simply attracting it.

We should make sure New Jersey businesses are positioned to build it, supply it, own it and prosper from it.

That is how we turn an economic-development incentive into an economic-development strategy.

And that is how Paramount, New Jersey and its diverse business community can create a genuine win-win for the Garden State.