

THE ECONOMIC CLUB

O F W A S H I N G T O N, D. C.

**Excerpts from the Signature Event featuring Leslie Moonves,
Chairman and CEO, CBS Corporation**

September 7, 2017

[Serving as Chairman and CEO of CBS is] the most fun job in America.

I joined Lorimar around '85. It got bought by Warner Brothers. And I became president of Warner Brothers Television. Soon after that, we had 23 shows on the air. We were leading in the number of shows. I think the next highest had, like, 12 shows on. Not only did we have 23 shows on the air, we had "ER" and "Friends." . . . the hottest comedy and the hottest drama in the world on television on NBC.

"ER" had actually been based on a script that had been written 20 years earlier through Steven Spielberg's production company by Michael Crichton, the famous sci-fi writer had written this script. Obviously we read the script. We made a deal with NBC. And then we produced the show. I think my major contribution to that was George Clooney.

George was a guy that I put under contract for four years in a row. He was doing a lot of pilots. He was doing a lot of episodes. And he really wasn't getting anywhere. I believed in him. I said, this guy is really good-looking. He's really charming. He's a great guy. I was the one who talked the producer into using George Clooney in "ER."

By the way, believe it or not – he still calls me and thanks me. We're still very close friends. He's the only one. Most actors, most producers, most directors, once they succeed they forget anybody else helped them. That's sort of the way of the world. I think it's the same in Washington as it is in Hollywood – where once you succeed you forget that anybody helped you along the way. George is one of the few people, whenever given the opportunity, who always thanks me.

Every show that you've been involved in you could write a whole book about, you could write a whole novel about. *Friends* was sold first to Fox. They wanted it, but they didn't want to pay an extra \$100,000 for the script. So it [*Friends*] flipped over to NBC. That was only a decision that may have cost them [*Fox*] \$5 billion. There are interesting stories. "CSI" was originally owned by ABC. Then it was sold to CBS and ABC owned half of it. Then they [*ABC*] dropped out of owning that half of it. "CSI," up to now, has made the CBS Corporation in revenue something like \$6 billion. Those are big mistakes. You're gambling with a lot of money here.

Larry Tisch recruited me to come to CBS. And part of that was because our shows had made NBC number one, so he wanted to compete. So Larry Tisch, with my wife and his wife, we went out to dinner the day before I started at CBS. It was July of 1995. [*Tisch told me*] you are going to be part of the CBS family. You're going to be part of the Loews family. You're going to be part of the Tisch family forever. So I started at CBS and three weeks later it was sold to Westinghouse. It was . . . a lesson in . . . what happens with corporations.

[CBS was] desperately in last place. So we put on "Everybody Loves Raymond" and we slowly began to build, brick by brick. A couple of years later is when we put on "CSI" and "Survivor." That sort of changed the game. Those two shows came on in the same year. NBC had dominated network television for two decades. We took those two shows – one ran in the

summer, one ran in February – and . . . then the following year, we put them both on Thursday night. And we took down NBC for the first time in two decades on Thursday, and we ended up beating them. We’ve now beat them for the last 14 out of 15 years.

The first time one of my guys pitched it [*“Survivor”*], to me I said that’s the stupidest idea I’ve ever heard. That doesn’t belong on CBS. That belongs on some bad cable network. Sixteen people on a desert island and one gets thrown out every week? That’s ridiculous. But he was persistent, this young development executive. And he brought Mark Burnett in to meet me. For those of you who don’t know him, he is maybe the most persuasive person you’ve ever seen. He subsequently after that did a show called “The Apprentice.” We know what happened from there.

Four out of 10 [*shows that become hits*] is a hall of fame in television. There’s a lot of shows you’ve never heard of that have come and gone every year. You probably don’t remember the great show called, “The Great Indoors.” It was on last year. It was on the entire year. Starred Joel McHale. We said, that show has got a real shot. Gone. But that’s sort of the television business. You’re playing for the few wins.

. . . linear ratings aren’t the whole ballgame, like they used to be. So you’ll take a show that initially, in the initial viewing, won’t be that good. But when you count DVRs and online ratings, suddenly the numbers go up considerably. We have a new show that went on last year called “Bull” that stars Michael Weatherly. The initial ratings are about 10 million people per night. But when you count a week later, that number goes up to 16 million. So suddenly from a mediocre number, it goes up to a successful number.

. . . one year NBC was out selling that they had the highest 18 to 25-year-old upscale viewers. I do my presentation. I said: The only 18- to 25-year-old upscale people I know are my kids and I’m deciding what kind of car they’re going to buy, not them. So it was sort of a bogus statistic. The good news is more and more people who are a little bit older, the average age of the “60 Minutes” viewer is over 60. But we make a lot of money on that show. We’re selling a lot of pharmaceuticals during that show.

. . . we now have our online service. For \$5.99 you can get a thing called CBS All Access, which is basically every show CBS has ever produced, the entire library, our current schedule, plus we’re beginning to do original programming there. We have a new show, the new version of “Star Trek,” which comes out in two weeks, which you can only get by paying that \$5.99.

. . . we produce most of our own content now. . . . Money alone doesn’t lead to good programming. What we like to say is, you can’t program by algorithm, which is part of what Netflix does. And they do a lot of programs. They’re doing 75 original programs. And they have a certain amount of hits. Our job is to be a lot more concise in what we’re producing for our audience. As I said, creatively I think we’re as good as anybody. And that’s what wins the day for us. It is tough. We’re competing with companies that could eat us alive financially.

People say broadcast is dead. It's not. It's still the only place you can go to get 20 million people a week watching "NCIS" or "The Big Bang Theory." If you're an advertiser, and you want to reach an audience, you still need the big guys – the big broadcasters.

"60 Minutes" is the gold standard. . . . It's still the place where people get their most news. Our guys do a phenomenal job. I think it's also now so culturally significant that people know 7:00 Sunday night, there's one place to go, and that's "60 Minutes." So they remain, in year 50, a top 15 show in America.

An interviewer asked me . . . if CNN were available, would you guys acquire it? I said – which I say about virtually everything – sure, we'd be happy to take a look at it. That was the last conversation I've had about CNN. So it's been widely rumored that we're going to buy CNN. I haven't had a conversation with the current management, with the future management. CNN is a wonderful organization, but we are not buying it.

. . . our news division – I am extraordinarily proud of them. They are honest journalists. They try really hard. I think they do an exceptional job of reporting the truth and the news. The talk about fake news I think was a campaign thing. Obviously, it got some of the electorate excited about it. I think it's very unfair and I think it's especially unfair when it comes to CBS News.

The three network evening news [*programs*] combined are watched still by 23, 24 million a night. That's not nearly what it used to be when Walter Cronkite and Huntley and Brinkley were doing it, where it was the only source of news, because . . . people are getting their news all day long. I think the 6:30 news now sort of gives you further insight into the news, as opposed to just reporting the news. And I think they do well. They do better in times of crises. . . . But now with the advent of these big cable news networks, and also with all that you get online, they become a bit less important. But 23 million people is still a lot of people.

. . . we're in the public eye. We've been through a lot of problematic things, you're in the eye of the storm. You know, the Rather situation wasn't pleasant. We've had different problems with content, with issues that come up with our programming. Once again, everything that we do is sort of magnified out there. It goes with the territory. But some of it is very tough to deal with. When you have news, when you have sports, when you have Charlie Sheen on your network, there are issues that come up that aren't a walk in the park.

I get to meet the greatest people in the world. I get to work with some of them. When I think of the people that I've met from politics to athletes to entertainers, it's pretty cool.

. . . a contentious election process might not be good for America, but it was good for CBS. I said it [*that*] facetiously. It got quoted later on, but when you have a campaign and a lot of people are spending a lot of money, the money goes in through our stations. We own 27 television stations. At the same time, our news ratings were way up. And they've continued to be up because of that.

. . . as the CEO of a corporation, the best thing you can do, is hire really good people. . . . In this job, you got to be a good listener. You got to be a good listener and a good observer of what's

going on. I may be the final arbiter on which shows go on the air but there is a lot of input and I listen to a lot of good people.

. . . CBS is virtually the only sort of standalone. We're competing on the broadcast side with Comcast, Disney, Fox, much bigger companies. And now Amazon, Netflix, Apple all are getting into that business, the content business. So we are sort of an anomaly, in that we are so small.

. . . one of the things I'm most proud of is a year ago the *New York Times* wrote that isn't it interesting that probably the most traditional media company is leading the charge in the new digital age? And I think that was a great compliment, . . . we righted the ship in the broadcast, we won in that world, and we had enough foresight to see what was coming and be there.