

THE ECONOMIC CLUB

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

CBS Corporation Chairman & CEO Leslie Moonves Reviews his Career and the Evolution of CBS Corporation

**Leslie Moonves
Chairman and Chief Executive Officer
CBS Corporation
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DAVID M. RUBENSTEIN: I want to welcome everybody to our second event of our 31st season. And I'm very pleased to have our featured guest be Les Moonves, the chairman and CEO of CBS Corporation. We have a big turnout. I assume that's because many of you brought your scripts that you want CBS to consider – [laughter] – or no doubt you have a child who is a budding actor or actress. So Les has told me he'll take all of these scripts and all of these resumes and put them in the appropriate place. [Laughter.]

[Video presentation.]

MR. RUBENSTEIN: [Applause.] So we're very honored to have Les Moonves as our special guest today. And Les is the chairman and CEO of CBS. That looked like a fun job to have, all those things you get to work on, so.

LESLIE MOONVES: Absolutely. It's the most fun job in America.

MR. RUBENSTEIN: OK. So we'll talk about why it's so much fun in a moment. But I want to get a couple things out of the way first. OK, I called you – I've known you for a number of years – because you at CBS, you sponsor and underwrite and broadcast the honors – Kennedy Center Honors. And I've met with you a number of times in that context. You often are called by some of your friends Les. But I notice some people call you Leslie. What is your name that you prefer to use actually?

MR. MOONVES: I honestly have no preference. As somebody said, my mother called me Leslie and my wife calls me Les, so I like both. [Laughter.] How's that?

MR. RUBENSTEIN: OK. All right. What about your last name? Now Moonves¹ is how you pronounce it. But that seems like a name that might be difficult to pronounce. When you were growing up, did people pronounce it correctly?

MR. MOONVES: No, they never did, even though when you look at it, it's rather simple. But invariably, they wanted to make it one syllable. And they would start in with Moon-zuh. And it didn't come out right. [Laughter.] So it took a little while, but that was all right.

MR. RUBENSTEIN: And do you get mad at people that can't pronounce it correctly?

MR. MOONVES: No, I do not. I'm very forgiving. I'm very forgiving.

MR. RUBENSTEIN: Excellent. OK. Well, let's talk about your background a moment. And I'll get through your high school years in a moment. But as I understand it, you actually started out – you wanted to be an actor. And after a number of years you abandoned that. Have you ever thought that, you know, the country and the world has now missed having another De Niro² or Pacino³ by your not being in the acting world? [Laughter.]

¹ Pronounced MOON-vehs

² Robert Anthony De Niro is an American actor, producer, and director

³ Alfredo James Pacino is an American actor of stage and screen, filmmaker, and screenwriter.

MR. MOONVES: No, I think it was a great benefit to America that I decided to give that up and go to the other side. I think – I think fairly early on – and I was smart enough to realize it probably three or four or five years into my acting career, that I was sort of a mediocre actor. I was also tending bar more than I was acting during those years. And I looked around and I said, you know what? There are people who do this a lot better than I do. There's probably something else I could do in the business where I could satisfy my creative juices and still be involved. And it ended up being a good decision.

MR. RUBENSTEIN: Well, it worked out, certainly.

MR. MOONVES: It worked out.

MR. RUBENSTEIN: So you grew up on Long Island.

MR. MOONVES: Right.

MR. RUBENSTEIN: Valley Stream.

MR. MOONVES: Right.

MR. RUBENSTEIN: And then you went to college at Bucknell.

MR. MOONVES: Mmm hmm.

MR. RUBENSTEIN: And at Bucknell, did you want to be an actor there?

MR. MOONVES: No, I started out being pre-med, because that's what every Jewish kid from Long Island – [laughter] – had to do when you went to school, is you had to try to become a doctor.

MR. RUBENSTEIN: And what happened when you decided not to do it?

MR. MOONVES: Well, I took my first organic chemistry class and I said: This is horrible. I'm bad at the sciences. [Laughter.] And it was a tough conversation with my parents to tell them that I didn't want to be a doctor.

MR. RUBENSTEIN: What did your father say?

MR. MOONVES: Well, we were at a bar in Lewisburg, Pennsylvania, which is where Bucknell is. And I broke it to my father, who was a hardworking guy. He owned gas stations and he worked with his hands. I said: I've decided I'm not going to be a doctor. And he said, well, what are you going to do? I said, well, I've decided I'm going to New York to become an actor. [Laughter.] And he said, what do you want to do that for? And I said, well, it's what makes me happy. And he said, happiness? You think that's all there is to life? [Laughter.] So that was sort of a typical response of that generation. When I finally became president of CBS, he forgave me. [Laughter.]

MR. RUBENSTEIN: OK. So you went from Bucknell. You went to New York to be an actor, a stage actor. And you did some TV shows, actually.

MR. MOONVES: Correct.

MR. RUBENSTEIN: And if somebody wants to watch “Six Million Dollar Man,” you’re there sometimes?

MR. MOONVES: There are two or three episodes of “Six Million Dollar Man” where I’m playing a bad guy being chased by Lee Majors⁴ and “Cannon” and a lot of bad shows from the ’70s.

MR. RUBENSTEIN: OK. Six million wasn’t your compensation for that, right?

MR. MOONVES: No. It hardly was, no. [Laughter.]

MR. RUBENSTEIN: So when you say, OK, I’m not going to be an actor, and you weren’t going to be a doctor, how did you decide to get into the other side of television, the production side?

MR. MOONVES: When I was an actor, I – you know, most of the time as an actor you’re on set and you’re virtually doing nothing. You go there for a 16-hour day and you’re probably working about 20 minutes. So I was sort of fascinated with what everybody else did. And I sort of did a quick study on what it was like to be on a set and learned about what the business was about. And so when an opportunity came to get to the other side of the camera as a junior executive in a production company, I jumped at it.

MR. RUBENSTEIN: OK. So where did you go first?

MR. MOONVES: I went to a very small production company and then I did the rounds. I went to Columbia Pictures Television for two years. Then I went to 20th Century Fox for two years. And then I got hired by Lorimar from Fox, which was sort of the start of my rise.

MR. RUBENSTEIN: OK. So when you do that business, you have to be good at either reading scripts, and say this is going to work, or picking talent. So what was your skill set – the scripts or the talent or both?

MR. MOONVES: You know what? Being a mediocre actor, I knew who good actors were. I really did. I could say, gee, I wish I could do that. And I sort of felt that. And, look, I had – I had very good creative instincts. I watched a lot of television. I saw what was working, what wasn’t working. And I became good at it. I became good at picking shows.

MR. RUBENSTEIN: So to do that, were you living in New York or Los Angeles?

MR. MOONVES: At this point, I was in Los Angeles.

⁴ Lee Majors is an American film, television and voice actor.

MR. RUBENSTEIN: Los Angeles. And so Lorimar was a company then that produced a lot of television shows. And at one point when you were there, I think 23 of your shows were actually on evening news shows.

MR. MOONVES: It wasn't till a little bit later. So Lorimar got bought – 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. So – but not only did we have 23 shows on the air, we had “ER” and “Friends.” So we had the hottest comedy and the hottest drama in the world on television on NBC.

MR. RUBENSTEIN: So let's talk about “ER.” Was that your idea? Where'd the idea come from? How did you greenlight it?

MR. MOONVES: It wasn't my idea. “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. The – obviously we read the script. We went – made a deal with NBC. And then we produced the show. I think my major contribution to that was George Clooney⁵.

MR. RUBENSTEIN: You selected him?

MR. MOONVES: 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. And I believed in him. I said, this guy is really good-looking. He's really charming. [Laughter.] He's a great guy. So I was the one who talked the producer into using George Clooney in “ER.”

MR. RUBENSTEIN: And did he call you many times and thank you, or he still calls you and thanks you? [Laughter.]

MR. MOONVES: He's – 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 – [laughter] – most producers, most directors, once they succeed they forget anybody else helped them, you know? That's sort of the way of the world. I think it's the same in Washington as it is in Hollywood – [laughter] – where once you succeed you forget that anybody helped you along the way. George is one of the few people, whenever given the opportunity, always thanks me.

MR. RUBENSTEIN: OK. What about another show that you might have – what is it, “Cheers,” or?

MR. MOONVES: “Friends.”

MR. RUBENSTEIN: “Friends.” All right, so, “Friends,” what about that?

⁵ George Timothy Clooney is an American actor, director, producer, and screenwriter.

MR. MOONVES: You know, once again, you know, we hired the writers who put together this show. 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. They didn't want to pay an extra \$100,000 for the script. So it flipped over to NBC. That was only a decision that may have cost them \$5 billion. [Laughter.] You know, there are interesting stories. "CSI" was originally owned by ABC. Then it was sold to CBS and ABC owned half of it. Then they dropped out of owning that half of it, right? "CSI," up to now, has made the CBS Corporation in revenue something like \$6 billion. So those are big mistakes. [Laughter.] You're gambling with –

MR. RUBENSTEIN: So when these –

MR. MOONVES: You're gambling with a lot of money here.

MR. RUBENSTEIN: But when you're deciding on a show or not, you get pitched by agents or the actors call you directly? Or how do you make decisions who the actors are, or the script?

MR. MOONVES: Right. It's a little bit of both. It starts with the writers. It starts with the idea, the concepts. Occasionally an actor will come attached to it, most of the time not. Most of the time you get a producer and a writer who comes – and Jerry Bruckheimer⁶ will come in and say: Hey, I got this idea. It's called, "CSI." It's about a crime scene lab in Las Vegas, blah, blah, blah, blah. Then we attach William Petersen⁷ to it, and then it rolls from there.

MR. RUBENSTEIN: But, like, if you're Les Moonves and you go to a restaurant in Hollywood or Los Angeles, does somebody come up to you and say: And, by the way, I have script, or by the way, my nephew is great for a show. Or you don't get bothered that much?

MR. MOONVES: All the time. It happens consistently. The thing that people don't quite understand is it's about the execution. It's not about the idea. You know, so you look at – you mention a show like "ER." What is it about? It's a hospital show. But it's what happens in that hospital show. What is "Cheers," about? It's about eight people in a bar. So when a guy comes up to me and says: I'm a podiatrist. You should see, our office is so funny. You got the receptionist there, and you got the old guy there – [laughter] – and this guy there, you know, and it's a great idea for a show. And, you know, so you politely say, here's my email, please send us –

MR. RUBENSTEIN: OK. Has anybody ever come to you and said a private equity show would be very good? [Laughter, applause.]

MR. MOONVES: Well, I've seen you perform at the Kennedy Center for many years. You have – you have – you have potential.

MR. RUBENSTEIN: Really?

⁶ Jerome Leon "Jerry" Bruckheimer is an American film and television producer.

⁷ William Louis Petersen is an American actor and producer.

MR. MOONVES: You do. [Laughter.]

MR. RUBENSTEIN: Well, I wondered about that. Sometimes at the Kennedy Center Honors, you know, the chairman goes out and makes a little presentation at intermission. But on TV, it only comes up for, like, five seconds. So you don't broadcast it. [Laughter.] Have you thought about broadcasting the entire 20 minutes of my presentation? [Laughter.] Is there a lot of demand for that?

MR. MOONVES: You're lucky we put the five seconds on. [Laughter, applause.]

MR. RUBENSTEIN: So you obviously got a very good reputation at Warner. So somebody came along and said: This man has a golden touch. And so CBS recruited you. In fact, I guess it was Larry Tisch who was then running Loews, but also controlled CBS. He recruited you to become the president of CBS Entertainment.

MR. MOONVES: Right.

MR. RUBENSTEIN: So that was going to be a longstanding relationship. And how did that go?

MR. MOONVES: Well, Larry Tisch, you know, 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. Took out to dinner at the Bel-Air Hotel in California. 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. [Laughter.] So it was sort of a lesson in this is what happens with corporations.

MR. RUBENSTEIN: So Westinghouse was then run by Michael Jordan.

MR. MOONVES: Correct.

MR. RUBENSTEIN: And he bought the company. They changed the name from Westinghouse to CBS, as I remember.

MR. MOONVES: Correct, correct.

MR. RUBENSTEIN: So you were running the television part. And then ultimately there was a power struggle there, and somebody else became the head of it. Is that Mel Karmazin?

MR. MOONVES: Right.

MR. RUBENSTEIN: So your job was just to keep your head down, produce good shows, and stay out of the corporate politics?

MR. MOONVES: Exactly.

MR. RUBENSTEIN: So what shows were you producing at the early days in CBS that people would have heard of?

MR. MOONVES: Well, our first hit show during that time was “Everybody Loves Raymond.” You know, we were desperately in last place. So we put on “Raymond,” and we slowly began to build, brick by brick. And a couple of years later is when we put on “CSI” and “Survivor.” And that sort of changed the game. Those two shows came on in the same year. NBC, which had dominated network television for two decades, we took those two shows – one ran in the summer, one ran in February – and we took them 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. And we’ve now beat them for the last 14 out of 15 years.

MR. RUBENSTEIN: So the last 14 of 15 years, you’ve been the number-one broadcast operation?

MR. MOONVES: Yes. Yes.

MR. RUBENSTEIN: OK. So, like, “Survivor.” When “Survivor” came, that was an unusual show at the time. Did you say, get this guy out of here, that’s crazy. Or you said, maybe there’s something to it?

MR. MOONVES: No, the first time one of my guys pitched it to me I said that’s the stupidest idea I’ve ever heard. [Laughter.] That doesn’t belong on CBS. That belongs on some bad cable network. [Laughter.] Sixteen people on a desert island and one gets thrown out every week? That’s ridiculous. So he was persistent, this young development executive. And then he brought Mark Burnett in to meet me. And for those of you who don’t know him, he is maybe the most persuasive person you’ve ever seen, you know? He subsequently after that did a show called “The Apprentice.” We know what happened from there.

MR. RUBENSTEIN: Who was the star of that show?

MR. MOONVES: Right, right. I don’t remember. I don’t remember. [Laughter.]

MR. RUBENSTEIN: OK.

MR. MOONVES: But Mark Burnett was a great producer. He put on “Survivor.” And here we are, 18 years later, “Survivor” is still on Wednesday night at 8:00 and it still wins its time period.

MR. RUBENSTEIN: So do you ever say, this show is going to be great, and it turns out to be a bomb? Do you have any of those stories, or?

MR. MOONVES: All the time. All the time. Look, our batting average is better than most, but it’s still probably four out of 10. Four out of 10 is a hall of famer in television. So there’s a lot of shows you’ve never heard of that have come and gone every year, you know? 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 McHale⁸. We said, that show has got a real got shot. Gone. You know, but that's sort of the television business. You know you're playing for the few wins.

MR. RUBENSTEIN: Well, in television, everything seems to be ratings. Are you sure that the people that do the ratings are really giving you accurate numbers?

MR. MOONVES: Well, that's one of the questions, especially now, because now 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. So we have a new show that went on last year called "Bull" that stars Michael Weatherly⁹. 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.

MR. RUBENSTEIN: So I notice on ratings, very often TV shows are judged by how many people in the ages from 18 to 49 or 25 to 54 are watching. What about the people who really have the money, who are in their 60s and are really sophisticated. Why aren't they counted? [Laughter.]

MR. MOONVES: No, you're absolutely right. That's one of the things that's bothered me for all these years. And it has changed. They used to do – 18 to 49 was all that mattered. That's changed. And the argument was, who has more money? A 50-year-old or a 19-year-old? Who has more money? Who has the buying power? And I remember one year NBC was out selling that they had the highest 18 to 25-year-old upscale viewers. So I do my presentation. I said: The only 18- to 25-year-old upscale people I know are my kids, you know? [Laughter.] And I'm deciding what kind of car they're going to buy, not them, you know? So, you know, it was sort of a bogus statistic. And you're right.

So now 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. [Laughter.] But we still make a lot of money.

MR. RUBENSTEIN: So I notice – yeah, the shows I watch, they often have Depends ads or they have catheter ads. And –

MR. MOONVES: And we're not going to talk about ED advertising either.

MR. RUBENSTEIN: No, we're not. But wasn't Viagra a big seller for you?

MR. MOONVES: It was, but they changed the patent laws. So, in all seriousness, the Viagra has gone down.

MR. RUBENSTEIN: It's gone limp. [Laughter, applause.]

⁸ Joel Edward McHale is an American comedian, actor, writer, television producer, and television host.

⁹ Michael Manning Weatherly, Jr., is an American actor, producer, and director.

MR. MOONVES: And, by the way, that was made up by the head of our advertising group. I'm not going to steal that joke.

MR. RUBENSTEIN: OK. All right, so it went limp in other words, right. [Laughter.] All right, so let's talk about your career again. So your career is moving forward. You're at CBS. And then all of a sudden, somebody comes along and wants to buy all of CBS. And that is Viacom, controlled by Sumner Redstone.

MR. MOONVES: Correct. Right.

MR. RUBENSTEIN: So you were then purchased, in effect, by Viacom. And then Viacom and CBS were together for a number of years.

MR. MOONVES: Right.

MR. RUBENSTEIN: So your role continued, just looking for shows?

MR. MOONVES: No, I became – I became the co-president of Viacom with the guy who ran MTV. We were – we became the – you know, after Mel Karmazin left, we did that together. So I became co-president of that.

MR. RUBENSTEIN: OK. And then after a couple years where Viacom has CBS in the Viacom cable networks, as well as – as well, has decided that it would be better to split the companies in two.

MR. MOONVES: Correct.

MR. RUBENSTEIN: The theory at the time was that CBS was a little slower growing, it wasn't going to be quite as upscale in terms of its profitability in the future, Viacom would go this way. It turned out to be the opposite. Why did everybody get it wrong?

MR. MOONVES: Well, I'm not going to talk about Viacom in a pejorative manner. Look, at the time we were the slow growth company. We owned a TV network. We owned a bunch of radio stations. We owned a billboard company. We owned TV stations. The other side, at Paramount Pictures, they had MTV, they had Nickelodeon. We liked being the underdog. We liked it. OK, it's Via-grow and Via-slow, that's what they called us. [Laughter.] Our market cap has grown about \$12 billion since then. You know, we grew a lot. We've done extremely well. Our stock price has gone up considerably. I think we are very competitive. I think we figured out the internet space. We figured out how to put our content online very quickly. So it's been a good decade for us in terms of the growth.

MR. RUBENSTEIN: And let's talk about the main business that CBS has today is producing TV shows. And when you produce it, you make money by selling advertising, and then you also syndicate the shows later. Where do you make more money, in advertising or syndication?

MR. MOONVES: Right now our revenue is split. Forty percent is advertising. We used to be 72 percent advertising seven years ago. We spun out outdoor. We're spinning out radio. In addition, the other revenue streams have grown quite a bit. The 30 percent comes from our selling our signal, our content, to cable networks and to other affiliates. And the other 40 percent is selling our content throughout the world internationally to 220 territories, as well as selling it domestically online to TV stations, et cetera, et cetera.

MR. RUBENSTEIN: So internationally American-produced TV shows, which are typically produced for American audiences, they still sell all over the world? People still want American culture?

MR. MOONVES: Unbelievably well. They still – a lot of countries try to do locally produced shows. Most of the time they can't compete with the quality of our shows.

MR. RUBENSTEIN: So now you make money by advertising and by getting syndication fees and so forth. But going forward, many times people who get cable services – they have a cable contract – now there is what they call cord cutting. They don't really want to get all of these cable channels. How does that affect you?

MR. MOONVES: Well, there are a couple things that have changed. Now there are things called skinny bundles, OK? The average home right now gets 180 channels. And they pay approximately \$100 a month for that. So some of the operators said, wait a minute, people are paying for channels they never watch. So they do what's called the skinny bundle, which is they put together the 30 or 40 best channels, charge you one-third – \$35, \$40 – and you buy that. We will always be a part of that, the skinnier bundle.

Then the third segment is we now have our online service. So 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 now we're beginning to do original programming there. So we have a new show, obviously, the new version of "Star Trek," which comes out in two weeks, which you can only get by paying that \$5.99.

MR. RUBENSTEIN: OK. So a lot of this is done, therefore on streaming, that –

MR. MOONVES: Correct. Those are streaming services.

MR. RUBENSTEIN: But now shows – companies like Netflix and Apple and Facebook and Amazon, they're in the streaming business. Is that going to cut into your ability to get these best talent, because they have so much money they can pay crazy prices?

MR. MOONVES: No, it is a challenge. They are very competitive. They are spending a lot of money. At the end of the day, we produce most of our own content now. We have to be very competitive with them. Money alone doesn't lead to good programming. What we like to say is, you can't program by algorithm. You know, which is part of what Netflix does. And they do a lot of programs. They're doing 75 original programs. And they put them out there. And they have a certain amount of hits. Our job is we have to be a lot more concise in what we're

producing for our audience. And, as I said, creatively I think we're as good as anybody. And that's what wins the day for us, you know? It is tough. We're competing with companies that are – you know, that could eat us alive financially.

MR. RUBENSTEIN: So, for example, Apple is gigantic financially, and Amazon, and so forth. So you're now relatively modest in terms of your market capitalization compared to them. So it's your talent and your skill that you think makes you able to compete?

MR. MOONVES: No question. In addition, it's broadcast. Broadcast – 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." So if you're an advertiser, and you want to reach an audience, you still need the big guys – the big broadcasters.

MR. RUBENSTEIN: So let's talk about some of the shows you have now. You have the number-one rated news show, which is "60 Minutes." It's been on for 40-plus years, I guess. So how do you –

MR. MOONVES: This year is its 50th year.

MR. RUBENSTEIN: Fiftieth year. How do you keep it so lively and up-to-date?

MR. MOONVES: Well, the good news is Jeff Fager continues to produce it. I think "60 Minutes" is the gold standard. I still think people want to go there. It's still the place where people get their most news. And I think 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.

MR. RUBENSTEIN: So how many TV shows have ever been on for 50 years? Is that about the only one?

MR. MOONVES: Not too many. Maybe "Gunsmoke." [Laughter.] You know, there aren't too many that last that long.

MR. RUBENSTEIN: So you have a number-one, I guess, drama show, or – "NCIS," is that right?

MR. MOONVES: Right, right.

MR. RUBENSTEIN: Where did that idea come from?

MR. MOONVES: It was a spinoff of a show called "JAG," which had been a Navy military show, which was sort of based on that Tom Cruise, Jack Nicholson movie, I'm blanking on it.

AUDIENCE MEMBER: "A Few Good Men."

MR. MOONVES: “A Few Good Men.” Thank you. You know, courtroom drama, Navy doing it, that was “JAG.” And this became – you know, we had been obviously successful with “CSI.” So we took the “JAG” formula, made it into a procedural drama, and now we’ve spun “NCIS” off twice, like we did with “CSI.”

MR. RUBENSTEIN: What about “The Big Bang Theory”? Number-one comedy. Where did that idea come from?

MR. MOONVES: That came from Chuck Lorre. Chuck Lorre, who we had worked with on “Two and a Half Men” created that show and came to us with that idea. And we put it on the air. And it’s been, you know, a success ever since.

MR. RUBENSTEIN: Let’s talk about news, generally.

MR. MOONVES: OK.

MR. RUBENSTEIN: It has been rumored that you are thinking of buying CNN. Have you had anything to say about that, or?

MR. MOONVES: Yeah. You know, there was something in the paper that said today at this luncheon we were going to announce the acquisition of CNN by CBS. That – for everybody here, especially you journalists, that is not true, OK? [Laughter.] So a couple of months ago I’m at that Allen & Company conference in Sun Valley. And I do an interview with CNBC. And they said: If – you know, and it was right when people were talking about the AT&T-Time-Warner merger, and that, you know, the president might not allow it because he’s unhappy with CNN.

So the interviewer asked me, they said: Well, 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.

MR. RUBENSTEIN: So it’s fake news, you would say? [Laughter.]

MR. MOONVES: That is real fake news, right.

MR. RUBENSTEIN: OK. What about the charge that networks often have fake news now? Do you think that charge is fair or exaggerated or?

MR. MOONVES: I think most of the time it’s extremely exaggerated and very unfair. I think our news division – [applause] – I am – I am extraordinarily proud of them. I think they are honest journalists. I think they try really hard. I think they do an exceptional job of reporting the truth and the news. And the – you know, 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.

MR. RUBENSTEIN: Let's talk about your evening news shows. When I was growing up, and I guess when you were growing up, people would watch 15 minutes of evening news. Then it went to 30 minutes. But now people have so many news sources, do that many people watch the evening news shows? Are they still as relevant as they were?

MR. MOONVES: The three network evening news combined are watched still by 23, 24 million a night. That's not nearly what it used to be when Walter Cronkite and Huntley¹⁰ and Brinkley¹¹ were doing it, where it was the only source of news, because – you know, it's – what you say is absolutely valid. People are getting their news all day long. So 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. Obviously, during the hurricanes, people want to see what's going on. 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.

MR. RUBENSTEIN: OK. So you have recently had your – head of your CBS evening news show go to “60 Minutes.” Do you have any announcements you want to make today on who the replacement is?

MR. MOONVES: No. We have an acting, you know, person doing the job. And we're talking about what we're going to do for the future, but we have no announcements.

MR. RUBENSTEIN: So you don't want anybody –

MR. MOONVES: We're not making news today, David, no matter what you say. [Laughter.]

MR. RUBENSTEIN: Right, right. OK, and you wouldn't consider having a private equity person do that? [Laughter.]

MR. MOONVES: Maybe. Maybe. There have been worse ideas. [Laughter.]

MR. RUBENSTEIN: OK. All right. So let's talk about your morning news show.

MR. MOONVES: By the way, why don't you buy CBS? Then you could put yourself in as the anchor? [Laughter, applause.]

MR. RUBENSTEIN: That is – that's about the only way I would get in as the anchor. But OK. [Laughter.]

So let's talk about your morning news show.

MR. MOONVES: Yes.

¹⁰ Chet Huntley

¹¹ David Brinkley

MR. RUBENSTEIN: You've experimented with various formats, but now you have three anchors and that seems to be working well.

MR. MOONVES: We're really proud. We think, you know, it may sound self-serving, but I think by far CBS's morning is the best morning news program. I think Charlie¹², Norah¹³ and Gayle¹⁴ are extraordinary. They do a great job together. And I think, you know, the – you watch the first 20 minutes of that show, you have all you need for the rest of the day. And I'm really proud of what they've done.

MR. RUBENSTEIN: Charlie has done an incredible job, but explain to me. Are there really just one Charlie Rose? Because he does the morning show, then he has an afternoon show that he does, that's very good, and nights, and so forth. And he does "60 Minutes." So how does one person do all that?

MR. MOONVES: And he likes to party also, you know? Charlie likes to go out at night. Charlie is absolutely amazing. I think the greatest interviewer of our day, other than perhaps you.

MR. RUBENSTEIN: Right. Sure.

MR. MOONVES: And he has an extraordinary work ethic, because he does do "CBS This Morning." He does do his own show. He does do pieces on "60 Minutes." He occasionally does the evening news. I mean, he's a phenomenon, so.

MR. RUBENSTEIN: Let's talk about sports for a moment. So you broadcast football. Is that the most profitable thing on television for networks?

MR. MOONVES: It's not the most profitable, but it's the most important. It's by far the highest rated. We pay quite a bit in rights fees, as do the other networks. We do make a profit on it, but those ratings you can't live without. It's still the best game in town.

MR. RUBENSTEIN: So the Super Bowl, is that the most expensive thing one can advertise on, on television?

MR. MOONVES: Yes. I think this last Super Bowl got \$5.2 million per 30-second spot on it. So it's – you know, unfortunately, we only get it every third year. But when that third year comes, it's very lucrative.

MR. RUBENSTEIN: OK. And you also do the NCAA Final Four.

MR. MOONVES: Yeah.

MR. RUBENSTEIN: And March Madness. Is that a profitable –

¹² Charlie Rose

¹³ Norah O'Donnell

¹⁴ Gayle King

MR. MOONVES: It is profitable. We have a – it's a co-production deal with the Turner Networks. And it's worked out really well. And we have that. We have the PGA Tour golf and we have the Masters and the PGA championship.

MR. RUBENSTEIN: Now, the Masters is something where it's unique. You don't have that much advertising. So how do you make money –

MR. MOONVES: We don't have any advertising.

MR. RUBENSTEIN: There's no advertising.

MR. MOONVES: There's three minutes of advertising on the Masters. That goes to Augusta National. So we televise it for the honor and the prestige of televising it.

MR. RUBENSTEIN: A public service.

MR. MOONVES: A public service, like we do the Kennedy Center. You know, sort of similar.

MR. RUBENSTEIN: You don't make a lot of money on the Kennedy Center?

MR. MOONVES: No, we don't make a lot of money on the Kennedy Center, but we are – we are equally honored to televise the Kennedy Center as we are the Masters.

MR. RUBENSTEIN: Well, we're very honored that you do it.

MR. MOONVES: You know? (Laughs.) Yeah.

MR. RUBENSTEIN: So let's talk about – on sports, though, is sports declining a bit? Football was down 8 percent last year, NFL. Do you expect that was because of the election, or do you think it can come back?

MR. MOONVES: There were a number of factors that people are trying to ascertain why it was down 8 percent. One of the – one of the reasons they say was because there was so much attention on the election. A lot of people were watching news networks. As well as there was some controversies on the field. A couple of top players weren't playing. Tom Brady wasn't playing at the beginning of the year, Payton Manning had retired, he wasn't playing. The Thursday night scheduling was a little screwed up, that they didn't have great matchups and they didn't have the right pattern there.

I think the numbers – and it begins tonight. Tonight's the first game on NBC, the Patriots and Kansas City. I think this is going to be an up year for the NFL. In addition, we have worked together with them to make the product somewhat better, the length of time that are taken for referee's challenges and the commercial blocks, et cetera, are trying to be shortened. They're trying to speed up the game.

MR. RUBENSTEIN: So when you want to go to a sports event, you don't have to go on StubHub to get tickets. You just –

MR. MOONVES: I generally have a couple of connections that I could use to go to sporting events. [Laughter.] Especially when you pay – I think we pay a billion-one for the NFL? I can get a ticket on Sunday, yeah. [Laughter.]

MR. RUBENSTEIN: OK. Recently you had a sort of I guess a boxing match. That was the most watched boxing match ever.

MR. MOONVES: We're not sure. It's either that or the closest. It's very close to it, yes.

MR. RUBENSTEIN: So on something like that, that's on one of your cable networks?

MR. MOONVES: It's on – Showtime Pay-Per-View put out the McGregor-Mayweather fight. We were the distributor for it. So we sell it throughout the world and, you know, through all the various channels. And we are the distributor.

MR. RUBENSTEIN: So you went to that fight?

MR. MOONVES: I did go to that fight.

MR. RUBENSTEIN: And was it hard to get a good seat?

MR. MOONVES: No, I was – I was pretty close to the action there.

MR. RUBENSTEIN: And did you see a lot of the famous people there? Everybody who was there?

MR. MOONVES: I did. It was fun, you know, hanging out with J.Lo¹⁵ and Lebron James¹⁶ and A-Rod¹⁷ and, you know, it was very cool. There are perks to this job, you know? [Laughter.]

MR. RUBENSTEIN: So what is the worst part of this job? Is there anything bad about being the head of CBS, other than this interview maybe? [Laughter.]

MR. MOONVES: You know what? Look, we're in the public eye. We've been through a lot of problematic things, that you're in the eye of the storm. You know, the Rather¹⁸ situation wasn't pleasant. Different – 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. You know, when you have news, when

¹⁵ Jennifer Lynn Lopez, also known by her nickname J.Lo, is an American singer, actress, dancer and fashion designer.

¹⁶ LeBron James is an American professional basketball player for the Cleveland Cavaliers of the National Basketball Association.

¹⁷ Alexander Emmanuel Rodriguez, nicknamed "A-Rod", is a Dominican-American former professional baseball player.

¹⁸ Former CBS News anchor Dan Rather

you have sports, when you have Charlie Sheen¹⁹ on your network, you know, there are issues that come up, you know, that aren't a walk in the park.

MR. RUBENSTEIN: But the pleasure of the job is what? What's the greatest pleasure of doing the job?

MR. MOONVES: I get to meet the greatest people in the world. I get to work with some of them. I get – you know, when I think of the people that I've met from politics to athletes to entertainers, it's pretty cool. It's pretty cool.

MR. RUBENSTEIN: Talking about politics, during the last campaign – presidential campaign, you said that whatever one might think of the candidates, it was pretty good for television because a lot of people wanted to advertise. And was it very profitable for all the television networks to have all that campaign advertising, or?

MR. MOONVES: Yes, it was. Yes, it was. It was – you know, my comment at the time, there were 17 Republicans running, was that a contentious election process might not be good for America, but it was good for CBS. I said it facetiously. It got quoted later on, but the – when you have a campaign and a lot of people are spending a lot of money, the money goes in through our stations. And 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, so.

MR. RUBENSTEIN: So how do you get away from it all? People come to you all the time with scripts, they want jobs, they want to go on one of your shows, so forth. How do you say, I want to get away from – are you a golfer? Are you an exerciser? What do you do?

MR. MOONVES: I'm a mediocre golfer. I exercise fairly regularly. I have a spectacular wife who's also on a couple of CBS television shows. I have four great kids, who I don't get to spend enough time with, but three of them are out of the house. I watch a lot of movies. I enjoy that. I have a small circle of friends who I don't get to see enough. But, you know what, I work hard, but I play hard too. I'm pretty content.

MR. RUBENSTEIN: OK. So now your parents have lived to see your success. Your mother just passed away about a year ago, but at the age of –

MR. MOONVES: Right, 93.

MR. RUBENSTEIN: Ninety-three. And your father is alive at ninety –

MR. MOONVES: Six.

MR. RUBENSTEIN: Six.

MR. MOONVES: Yeah.

¹⁹ Carlos Irwin Estévez, known professionally as Charlie Sheen, is an American actor.

MR. RUBENSTEIN: So did he ever say to you, yes, you really did make the right decision?
[Laughter.]

MR. MOONVES: Oh, yeah. I think – you know, when I bought him a car, he said you did good, you know? (Laughter.) So, you know, it was OK. No, he's – you know what? He's been proud of me a long time. And, you know, it's been great. It's been great.

MR. RUBENSTEIN: So as you look at your career in broadcasting, very few people have been running a television broadcasting company as long as you have. I'm not sure if anybody, really, has in the last 20 or 30 years. So do you ever feel maybe you are losing touch with the younger people that often are making the decisions about what shows are going to be the most popular? How do you stay in touch with the younger people, the younger generation?

MR. MOONVES: I got a phenomenal team of people. I think as the CEO of a corporation, that's the best thing you can do, is hire really good people. So we have – the CBS Interactive division is made up of about 2,000 people up in San Francisco who I visit with frequently. And their average age is, like, 24, or something like that. And they are phenomenal. They are phenomenal in terms of – and there's a lot of dialogue. And you know what? 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. And once again, 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.

MR. RUBENSTEIN: So every night, are you watching television shows that you approve, but also you're watching your competition. And if you don't like what you see on your shows you call your producers, or?

MR. MOONVES: Most nights I'm watching either news or sports, and not on CBS. You know, I do keep up with virtually every show on another network. Certainly the newer shows, I just want to know what those shows are and I catch up with those. But, you know, I'm not – I don't devote my evenings to watching television.

MR. RUBENSTEIN: So if somebody is young and they're watching this interview and they say, you know, I want to be like Les Moonves. I want to run a big television company. What's the best training for that? Is it to be an actor who didn't make it as an actor? [Laughter.] Is it to go to business school? What would you say it is?

MR. MOONVES: I would doubt that. And I think they all come from all sorts of different places. The people that run the different media companies come from – there are lawyers, there are business people, there are a lot more interactive people that come in from Silicon Valley. Obviously, those companies are going to become very involved. I think the route to be a traditional television executive is not necessarily a desirable position right now, because I think the Silicon Valley companies will become more and more important, you know?

And 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. But there's a lot of different ways to get there.

MR. RUBENSTEIN: And, for example, Shonda Rhimes, who was very involved with ABC and I guess is still involved, she announced that in the future she's going to producing shows for, I think it was, Amazon –

MR. MOONVES: For Netflix, yes.

MR. RUBENSTEIN: Netflix. So did that surprise you?

MR. MOONVES: You know what? They offered her a lot of money. Our job is to get to the Shonda Rhimes before they want to leave ABC. And we do a pretty good job of that. But I guess the money was just irresistible for her. Look, she's done a phenomenal job. Being as ABC is a competitor – a direct competitor with us, we're sort of glad she did it. [Laughter.]

MR. RUBENSTEIN: So, now, you have three grown children. Are any of them in the broadcast world or television world? And would you recommend it?

MR. MOONVES: One of them is. One of them is. He works on James Corden's²⁰ show. You know, and my daughter's in the fashion world and my son owns a bar in New York City. And he's having the most fun of anybody. [Laughter.]

MR. RUBENSTEIN: So do you recommend this as a career to young people?

MR. MOONVES: Absolutely. Absolutely. As I said, I've had a great life. I've made a lot of money. I've met a lot of great people. And I have a lot of fun every single day.

MR. RUBENSTEIN: And the legacy that you eventually would like to have when you do leave – and there's no evidence you're going to leave anytime soon – but when you, say, 10 years, 20 years from now, you might retire, what would you like people to say about what you did at CBS?

MR. MOONVES: I think he took CBS – I think 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, that we fixed – 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.

MR. RUBENSTEIN: Now, one time you were quoted as saying that if you had enough money you might want to go into public service, if you could support your family and so forth. When you do leave CBS, might you consider going into public service?

MR. MOONVES: Perhaps.

²⁰ James Kimberley Corden is an English actor, comedian, television host, singer, and host of "The Late Late Show with James Corden," a late-night television talk show on CBS.

MR. RUBENSTEIN: Would you ever run for anything?

MR. MOONVES: No. That I wouldn't do. That I wouldn't do. And, yeah, I think it's important when you've been as lucky as I have to give back and to do something that – you know, when you – when you reach a stage in your life where money is not the most important thing, your family is secure, life is pretty good, that you give back something. And I would like to do that.

MR. RUBENSTEIN: So if you did go into public service, you'd probably spend more time in Washington. And you've spent time here over the years. Where do you think the egos are bigger, in Hollywood or in Washington?

MR. MOONVES: I'll say the political thing, that there are huge egos in both places. The only reason I'll give Hollywood a slight advantage, in my job I got to put on 22 hours of shows every single night, come hell or high water. So we have to produce something every day. In Washington, that's not necessarily the case. [Laughter.] No offense, everybody.

MR. RUBENSTEIN: So when you come to Washington, though, do you meet with regulators from time to time, and –

MR. MOONVES: I do. I do. Look, I love Washington. I love this town. I love coming here. I love meeting the people here. I think – I think the dynamic in Washington is equally fascinating as it is in Hollywood. You know, and I have a lot of friends here.

MR. RUBENSTEIN: Well, you've had a great run for CBS and its shareholders. I think since you've been the CEO the stock is up about three times or something like that.

MR. MOONVES: Something like that.

MR. RUBENSTEIN: So that's pretty impressive. I wish I had bought stock when you became the CEO.

MR. MOONVES: Right. I told you. [Laughter.]

MR. RUBENSTEIN: But, anyway, I want to thank you for a very a very interesting conversation, Les. And thank you for coming here today.

MR. MOONVES: Thank you, David.

MR. RUBENSTEIN: Thank you. [Applause.]



Leslie Moonves
Chairman & CEO of CBS Corporation

Leslie Moonves is chairman and CEO of CBS Corporation, one of the world's leading media enterprises. In this role, he serves as the chairman of the board of directors and oversees all operations of the Company, including the CBS Television Network, The CW (a joint venture between CBS Corporation and Warner Bros. Entertainment), CBS Television Studios, CBS Studios International, CBS Television Distribution, CBS Consumer Products, CBS Home Entertainment, CBS Films, CBS Interactive, Showtime Networks, CBS Sports Network, Pop (a joint venture between CBS Corporation and Lionsgate), Smithsonian Networks, Simon & Schuster, CBS Television Stations, CBS Radio and CBS EcoMedia.

Moonves came to CBS in 1995 as president of CBS Entertainment, after serving as president of Warner Bros. Television, where his team developed hit shows like "Friends" and "ER." Once at CBS, Moonves and his team took the Network from last to first place in the ratings, launching hit shows like "Everybody Loves Raymond," "Survivor" and "CSI: Crime Scene Investigation." Moonves was promoted to president and CEO of CBS Television in 1998 and became chairman in 2003. He was later named co-president and co-chief operating officer of Viacom and chairman of CBS in 2004, overseeing domestic and international broadcast television operations as well as its radio division and outdoor advertising operations. In 2006, when Viacom split its businesses into two publicly traded companies, Moonves was named president and CEO of the newly formed CBS Corporation, which has since been one of the best-performing companies in media.

Under Moonves's direction, the CBS Television Network has been #1 in viewers for 13 of the last 14 years, and currently has television's #1 drama, NCIS; television's #1 comedy, "The Big Bang Theory;" television's #1 news program, "60 Minutes;" as well as time period-leading shows on virtually every night of the week. At the same time, the company's premium cable service, Showtime Networks, has generated millions of new subscribers on the heels of its successful owned series, such as "Ray Donovan," "Billions," "Dexter" and "The Affair," as well as the critically acclaimed, Emmy- and Golden Globe Award-winning series "Homeland."

The company's push to sell its shows around the world has made international distribution sales a significant revenue source, with CBS content licensed to more than 200 markets in more than 30 languages across multiple media platforms. That emphasis on exploiting content has also

enabled CBS to strike lucrative, multi-year deals with the industry's biggest online distributors, including Netflix and Amazon.

CBS' other divisions have also been robust under Moonves's leadership, including interactive media. The company's acquisition of CNET, Inc. in 2008 helped make CBS Interactive the premier online content network for information and entertainment, with more than 280 million people from around the world visiting its websites each month. In publishing, Simon & Schuster routinely releases hundreds of *New York Times* bestsellers every year, including dozens that make it to #1, and is the publishing home of some of the world's most recognized and prize-winning authors. Simon & Schuster is also a leader in digital publishing, with titles available across all major platforms and formats. In local broadcasting, CBS-owned TV stations are among the most-watched in the country, and CBS Radio is home to the most popular radio stations in the U.S.

By distinguishing CBS as a producer and seller of world-class content across all mediums, Moonves has helped CBS Corporation grow in value, revenue and market share while identifying and developing key new revenue streams for future growth.

Moonves was inducted into the Television Academy Hall of Fame in 2013 and Broadcasting and Cable's Hall of Fame in 2004. He was also awarded the Milestone Award from the Producers Guild of America (2013) and named MIPCOM 2007 Personality of the Year. Additionally, Moonves is the previous recipient of the Career Achievement Award from the Casting Society of America, the Television Showmanship Award from the Publicists Guild of America and the Gold Medal Award from the International Radio and Television Society Foundation (IRTS).

Moonves currently serves on the board of trustees for the American Film Institute and the Paley Center for Media and is also on the board of directors of ZeniMax Media and the board of councilors at the University of Southern California's School of Cinematic Arts.