

TO: Jerry Levin  
FROM: Walter Isaacson  
RE: CBS  
DATE: December 6, 1993

Howard Stringer call me at home Friday evening. He stressed that Jay Kriegel's departure from CBS would make it far easier for them to deal with Time Warner.

I told him that, as for News-on-Demand, we were now in discussions with CNN. He said he understood, and hoped that any arrangement with them would not lock us in for the long run or grant strict exclusivity.

He stressed, however, that what he had in mind was larger, along the lines of some of the ideas discussed this summer. He explained that there would be great advantages to a close partnership between our news division and theirs (which is true), between our studio and their network, and between our two companies in general. If there is to be a new network, he says, it should be a cable network formed by CBS and Time Warner jointly. More generally, he seems to feel (though he did not say so explicitly) that CBS now needs either a strategic alliance or a merger partner, as per the story in the current Business Week (which mentions Disney as the most ardent suitor so far).

Stringer said that he accomplished an enormous amount in terms of thinking along these lines just in his one day of conversation with you in September. He said that most of his ideas were based on things you had suggested in that conversation or passed along through me earlier in the summer.

However, when Kriegel heard about his conversations with you, he "went through the roof" and killed any chance for further discussion with Time Warner. Stringer strongly intimated that this was "the final straw" that led him and others to decide that Kriegel must go.

Stringer also noted that he did not want to get "trapped" into a relationship with Murdoch on news, and hoped we didn't get "trapped" into one with CNN. He said he was looking for ways to escape a news alliance with Murdoch.

He and Tisch have already met once with Bob Daley, and he told me that they had a date to meet early in January.

Please treat this as confidential. I am not, however, violating any of Howard's confidences; indeed, when I asked if I could pass this along to you, he said "it would probably be useful."