Alphabet

December 10, 2018

Sent via email (director@fasb.org)

Ms. Susan M. Cosper, Technical Director
Financial Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2018-290, Proposed Accounting Standards Update, Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials

Dear Ms. Cosper:

Alphabet Inc. (“Alphabet,” the “Company,” “we,” “us,” or “our”) appreciates the opportunity to provide feedback on the Proposed Accounting Standards Update, Entertainment — Films — Other Assets — Film Costs (Subtopic 926-20) and Entertainment — Broadcasters — Intangibles — Goodwill and Other (Subtopic 920-350): Improvements to Accounting for Costs of Films and License Agreements for Program Materials (the “Proposal”), exposed for comment by the Financial Accounting Standards Board (the “Board”).

Alphabet is a collection of businesses, the largest of which is Google, and we generate revenues primarily by delivering relevant, cost-effective online advertising. Our YouTube and Google Play product offerings license video content as part of their operations.

We commend the Board’s willingness to acknowledge and address the evolution of the ways in which media content are developed, delivered, and consumed and we are supportive of the direction of the Proposal. We would like to share the following observations and suggestions with regard to the proposed disclosures.

Proposed Disclosures

We are generally supportive of the proposed disclosures included in ASC 926 and ASC 920 and we acknowledge that the recommended additions will add decision-useful information to the financial statements.
We note that the proposed amendments in paragraphs 926-20-50-4A and 926-20-50-4B require that current period and future amortization are disclosed separately for theatrical films and direct-to-television products. We believe the intent behind the separation of theatrical films and direct-to-television products is to distinguish potentially different useful lives and/or amortization methods; however, we believe that the same objective can be achieved through the use of other categories based on management judgement. We recommend removing the requirement to separately disclose amortization for theatrical films and direct-to-television products and instead allow for management judgement to determine the appropriate categories for disclosure of useful lives and amortization methods.

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Thank you for the opportunity to respond. We would be pleased to discuss our comments with the Board at your convenience.

Kind regards,

Josh Paul
Director of Accounting