BET NETWORKS MTV NETWORKS PARAMOUNT PICTURES

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Technical Director
File Reference No. EITF-12E
FASB
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Subject: Proposed Accounting Standards Update, *Entertainment – Films* (Topic 926), Accounting for Fair Value Information That Arises after the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs

#### Dear Technical Director:

Viacom, a global entertainment content company, appreciates the opportunity to comment on Proposed Auditing Standards Update, *Entertainment – Films* (Topic 926), Accounting for Fair Value Information That Arises after the Measurement Date and Its Inclusion in the Impairment Analysis of Unamortized Film Costs. Consistent with the view previously expressed in our comment letter dated March 14, 2012 on this issue, we support the proposed amendments to supersede paragraph 926-20-35-18 and Subtopic 926-855, *Entertainment–Films–Subsequent Events*, which would align the use of fair value measurements in the impairment test of unamortized film costs with the use of fair value measurements in other instances, including in the impairment testing of similar assets.

Our comments on certain specific questions on which the Board is seeking comment are as follows:

## Question 1

We agree that the fair value measurement of a film used in an impairment test of unamortized film costs should be consistent with the definition of *fair value* as defined by Topic 820. We believe that Topic 820 adequately addresses how to consider uncertainty in a fair value measurement and that the appropriate accounting treatment for information that arises subsequent to the measurement date, including any difference between an entity's best estimate of the performance of a film and the actual performance, should be reflected in the results of operations of the period in which the film is released.

#### Question 3

We do not believe that the proposed amendments, specifically to eliminate paragraph 926-20-35-18, necessitate further amendments to (a) the examples of events or changes in circumstances that indicate that an entity must assess whether the fair value of a film is less than its unamortized film costs (paragraph 926-20-35-12) or (b) the guidance about how those indicators are considered, specifically with respect to when a test should be performed. We believe the indicators outlined in paragraph 926-20-35-12 are adequate to assist entities in identifying whether a film may be impaired.

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### Questions 4 & 5

We agree that the proposed amendments should be applied prospectively with early adoption permitted.

### Question 6

We believe the proposed amendments should be the same for nonpublic entities.

# Question 7

We expect the proposed amendments will require minimal time to implement.

We appreciate the Board's consideration of our comments. If you have any questions regarding our comments we would welcome the opportunity to discuss these comments with you.

Sincerely,

Katherine Gill-Charest Senior Vice President, Controller Viacom, Inc.

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CC:

James Barge

Executive Vice President, Chief Financial Officer

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Executive Vice President, General Counsel and Secretary